National Restaurant Association Vol. 3 No. 10 November 1983

NRA NEWS

SPECIAL PULL-OUT SEMINAR SCHEDULE

11/30/83
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STAYING IN BUSINESS TAKES MORE THAN LUCK

Support is growing for HR 3803—the NRA-sponsored bill to amend the tip reporting law. At the urging of restaurateurs in their home district, 61 congressmen have agreed to cosponsor this bill. As your letters and phone calls pour into congressional offices, many more congressmen will agree to back this legislation.

Why are people rallying around HR 3803? The tip reporting provision in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) is unjust to both employees and employers. It is true that waiters and waitresses, like all other citizens, must pay taxes on their earnings—including tips. But the law, which tries to ensure they do so, creates inequity.

Consider the short-term consequences of the existing law. In January countless foodservice establishments across the country will be forced to report on employee W2 forms income which may or may not have been earned. Wait staff will then be forced to prove that they did not earn that money or else they will be obliged to pay taxes on it. Think of the confusion and dismay this unprecedented procedure will cause in our industry in just a few weeks.

And the tip reporting provision has disturbing long-term implications as well. At this point, the allocation threshold is eight percent. What is to stop the Congress from raising that threshold to 10 percent, to 12 percent or 15 percent? Furthermore, what is to stop Congress from extending this totally unprecedented procedure to other industries?

Every American citizen concerned with justice must oppose the whole concept of third-party allocation.

Shortly, NRA will send you a kit full of ideas and materials to help you handle two problems

(1) to explain to employees why you have been forced to allocate and what recourse they have when they receive an allocation and

(2) to help organize your fellow restaurateurs to support HR 3803, which would delete allocation from the tip reporting provision.

Please read the materials in this kit carefully. It is important that foodservice employees know that we are opposed to the allocation procedure and are only carrying out what the law requires us to do. And it is important for Congress to know that we, as an industry, want to see the allocation procedure eliminated.

Sincerely,

Joe R. Lee

Joe R. Lee
Chairman of the Board and President

NRA NEWS

Vol. 3 No. 10 November 1983

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Staff Contributors
Walter Ashcraft
Joan E. Campbell
Tom C. Corcoran
Dorothy Dee
Clyde L. Griffith
Kathy Groiss
Bette B. Hoyt
Cathy Kenney
Susan F. Mills
Robert A. Palmer
Andrew P. Poledor
James T. Rogers
Editorial Typist
Barbara Foley

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One IBM Plaza, Suite 2600
Chicago, IL 60611
(312) 787-2525

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Cover photograph: Harold Dorwin
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SHORT ORDER

Nominations now open for Silver Plate awards

Do you know someone who deserves the foodservice industry's highest award? If so, be sure to nominate that person for the 1984 annual Gold and Silver Plate awards, sponsored by the International Foodservice Manufacturers Association (IFMA). The awards are given in recognition of lasting and outstanding contributions to the advancement of the foodservice industry. Nominees can be any person who is engaged in the active ownership, management, supervision or employment of an establishment in one of the following eight classes of the foodservice industry: full service restaurants; fast service restaurants; hospital and health care establishments; elementary and secondary schools; colleges and universities; contract/industrial; hotels, motor inns, resorts and clubs; and public institutions and military. A silver plate is awarded annually in each of these categories. Gold Plate winners are selected from among the eight Silver Plate winners.

The Silver Plate award recipients will be chosen in February 1984 by a panel composed of last year's recipients and industry trade press editors. These recipients will be honored at a Gold and Silver Plate awards banquet on May 21, 1984 in Chicago during the NRA Show. The application deadline is December 15, 1983. For more information and application forms, contact IFMA, 875 N. Michigan Ave., Suite 3460, Chicago, IL 60611; (312) 944-3838.

California's wine history is being preserved

California's rich wine industry history is being preserved in an oral history series, thanks to funding from *The Wine Spectator* California Scholarship Fund. The Bancroft Library of the University of California at Berkeley was forced to suspend its series of interviews with leading wine personalities in 1976 because the program ran out of funding. The last person interviewed was legendary winemaker Andre Tchelistcheff, considered by many to be the dean of California winemakers.

Since the series' original inception in 1969 until its standstill in 1976, 21 interviews were completed including enology professors and wine industry executives. A special committee has been established to select future interviewees.

Safety poster for sparkling wines

Every holiday season there are hundreds of eye and facial injuries due to flying champagne corks. Most of these accidents can be avoided by following two common sense principles while opening sparkling wine bottles. The Wine Appreciation Guild in San Francisco, CA, has produced a bright orange and black poster that illustrates these procedures:

Step 1: Hold the bottle at a 45-degree angle pointed away from people. Hold cork firmly while loosening and removing wire hood. Most accidents occur when the wire hood is loosened and the cork pops unexpectedly.

Step 2: When removing the cork, grip it firmly in one hand while rotating the bottle with the other.

These caution posters are offered free of charge by the guild. The posters can be picked up or ordered from The Wine Appreciation Guild's warehouse, 60 Federal St., San Francisco, CA 94107. Please send 40 cents in stamps to cover postage for each five posters ordered.

• *NRA tip reporting work kit prepared for members*

NRA members will soon be receiving a tip reporting kit. Prepared by NRA's government relations department, the kit is an action guide developed to give foodservice operators the maximum opportunity to enhance NRA's current efforts to amend tip reporting allocation requirements. The work kit will also help you give your employees an understanding of how tip reporting allocations affect them.

• *NRA Hospitality Project under way*

NRA's Hospitality Project has developed much-needed hospitality standards for the foodservice industry. The Hospitality Project is spearheaded by two-day, train-the-trainer seminars. For more information, see the article on the Hospitality Project in this issue of ***NRA NEWS***.

• *1984 Great Menu Contest, call for entries*

Entry forms for the 1984 NRA Great Menu Contest will be mailed out to members in early December. If you do not receive your entry form, contact NRA's communications department. Deadline for entries is Feb. 29, 1984.

• *New NRA consumer research study released*

NRA's latest research study, *Consumer expectations with regard to din-*

Keeping up with the catch

According to the National Fisheries Educational Research Foundation, supplies of fish are excellent. Fresh/frozen inventories of many species are up from a year ago, including salmon, cod, flounder, sole, Greenland turbot and whiting.

New England: Supplies of haddock, cod, pollack and ocean perch look good. . . flounder relatively plentiful . . . quahogs and lobsters plentiful . . . sea bass in pretty good supply.

Mid–Atlantic: Both fresh and pasteurized blue crab meat in excellent supply . . . oysters came into season in September and remained plentiful through October . . . spot, whiting, croaker and bluefish in good supply.

Southeast/Florida: Smaller sizes of rock shrimp coming in very well . . . black drum landings heavy . . . shark and blue crab plentiful . . . frozen spiny lobster inventories heavy.

Texas/Gulf: The hurricane has created a tight supply situation for most species . . . oysters are tight but should pick up in November . . . crab is in moderate supply . . . rock shrimp plentiful . . . spiny lobster continue strong. . . mullet in good supply . . . some red snapper available.

Midwest: Good fishing in the Great Lakes this year . . . large catches of whitefish and trout, and as weather cools, lake perch and walleye pike availability will increase.

West Coast: Quotas of widow rockfish, canary and yellowtail rockfish will have been reached by mid September . . . anticipate tight supplies and rising prices for these species through end of year . . . Pacific Dover sole and ling cod in good supply . . . a lot of sablefish being landed . . . some thresher shark and swordfish coming in . . . salmon continues strong.

If you would like to stay abreast of seafood supplies and other related information, contact the National Fisheries Education and Research Foundation, 111 E. Wacker Dr., Chicago, IL 60601. The foundation publishes a bimonthly newsletter called "The Seafood Signal."

[redacted]

ing at fast food restaurants, has just been released. Look for a summary in an upcoming issue of ***NRA NEWS***. Two companion surveys focusing on consumer expectations in atmosphere restaurants and family restaurants will be released later this year. For more information on these and other NRA research reports, contact NRA's research department in Washington, DC.

• *NRA's six-month seminar schedule published*

Start planning your educational calendar for next year with NRA's six-month schedule for January through June 1984. The schedule is included in this issue of ***NRA NEWS*** as a special pull-out section.

Effective December 12, 1983 the NRA Chicago office will move to 1 Park Place, Suite 2000, Chicago, IL 60601. Please make a note of this change in address.

Oyster cook-off uncovers new recipes

If your customers are not fond of oysters straight from the shell, try some of the winning recipes from this year's St. Mary's County Annual Oyster Cook-off. Cooks from across the mid-Atlantic states vied in the competition in three categories—main dishes, hors d'ouevres and soups and stews. Winning recipes included brandied oysters and mushroom soup, oyster spinach bisque, mandarin oyster salad with tangy lemon sauce, and oyster strudel. The grand prize winner—oysters Kevindon—is an hors d'ouevres that features a white sauce with black caviar, sherry and Parmesan cheese.

Marion Burros, restaurant critic for the *New York Times*, Anne MacKenzie, food editor of *The Aegis* and William Taylor of *The Dinner Designer* judged the competition.

For copies of the St. Mary's County winning cook-off recipes, send $1.00 to St. Mary's County Economic Development Commission, Box 351, Leonardtown, MD 20650. Twenty-eight recipes are included in the cook-off cookbook.

Help for international travelers

The American Hotel & Motel Association's (AH&MA) International Travel Committee, in cooperation with Signs of Safety, Inc., has developed a comprehensive brochure that will help the international traveler overcome language barriers. The brochure, entitled *One World—One Language*, contains 156 international pictorial symbols that can be readily understood when posted in important places, such as doorways, elevators and stairways.

The symbol signs are available in six categories: information, safety, fire, warning, prohibition and telephone. Examples include signs that specify the location of currency exchanges, rest rooms, emergency exits and restaurants, as well as signs that indicate no smoking, no drinking and no pets allowed. These internationally recognized symbols can help eliminate frustrating attempts by your foreign guests to communicate through words.

For more information and free copies of the brochure, contact Signs of Safety, Inc., P.O. Box 10049, Department R, Portland, ME 04104, or call (207) 774-0958.

Initiative conferences for women

The Small Business Administration's (SBA) Office of Women's Business Ownership is sponsoring a series of national initiative conferences around the country. These conferences are designed to provide high quality hands-on training in a broad range of business skills.

The conferences will have two track training: one for those contemplating business ownership and start-up businesses; the other for those who are ready to expand or diversify.

For further information, contact
Susanne Howard, conference coordinator
Office of Women's Business Ownership
1441 L St., N.W.; Room 414
Washington, DC 20416

WASHINGTON REPORT

Support for tip reporting bill grows

More members of Congress have rallied behind an NRA-backed bill to make the new tip reporting law more equitable for employees and employers. This bill—H.R. 3803—is gaining cosponsors in the House where it was introduced in August by Reps. John Duncan (R-TN) and Andrew Jacobs (D-IN). As this issue of the *NRA NEWS* went to press, 46 representatives had decided to cosponsor the bill. NRA has stepped up its drive for congressional support of the measure.

"The existing tip reporting law is unfair to employees and employers," NRA President Joe Lee said at a recent meeting of NRA's Board of Directors. "I'm delighted to see support growing so rapidly for NRA's amendment. People are beginning to see that our bill provides a just solution." The board met in Washington in late September, and many NRA directors made visits to Capitol Hill to discuss the tip reporting issue.

Rep. Carroll Campbell, Jr. (R-SC), a sponsor of H.R. 3803 and a member of the House Ways and Means Committee, told the board that the Duncan-Jacobs bill "is the right way to go."

NRA President Joe Lee (center) and Government Relations Director Ron Sarasis (right) confer with Sen. Orrin Hatch (R-UT) at a recent NRA meeting in Washington. Sen. Hatch, a guest speaker during a Board luncheon, emphasized the importance of business people getting involved in the political process. The conservative, second-term senator is chairman of the Labor and Human Resources Committee.

Campbell added that the most effective lobbying on the bill would come from constituents. "Let your employees tell the story to Congress," he suggested.

NRA Government Relations Director Ronald Sarasin said that NRA, with the cooperation of the state associations and individual restaurateurs, would continue to "make Congress aware of the burden this new law has placed on our industry.

"Unfortunately," said Sarasin, "many in Congress aren't aware of the effect this new law has on restaurants—the basic unsoundness of it and the severe difficulties it places on employers in complying with the allocation process."

Sarasin explained that the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982—the legislative vehicle used by Congress to pass the tip reporting law—was a large, complex bill encompassing many changes in the tax code. "It originated in the Senate and was never carefully examined in the House before Congress approved it. Many representatives didn't even know the tip reporting requirements were in it, or at least they didn't realize what these changes would mean to restaurateurs. Our job now is to educate them and let them know that H.R. 3803 will make the law workable."

Sarasin said NRA hopes to generate enough support for the bill to have hearings called before the Ways and Means Committee. NRA will also push to have companion legislation introduced in the Senate.

For more information about the bill, and arguments you can use in talking to your congressman, contact the NRA Government Relations Department in Washington, DC: (800) 424-5156.

Sponsors of H.R. 3803

- John Duncan (R-TN)
- Andrew Jacobs (D-IN)

Cosponsors of H.R. 3803

Democrats

1. Gus Yatron (D-PA)
2. Ron Wyden (D-OR)
3. Ray Kogovsek (D-CO)
4. Jim Bates (D-CA)
5. Charles Whitley (D-NC)
6. Dan Daniel (D-VA)
7. Robin Tallon (D-SC)
8. Tony P. Hall (D-OH)
9. Abraham Kazen, Jr. (D-TX)
10. Ike Andrews (D-NC)
11. Barney Frank (D-MA)
12. Tim Valentine (D-NC)
13. Katie Hall (D-IN)
14. William Hughes (D-NJ)
15. Tony Coelho (D-CA)
16. Patricia Schroeder (D-CO)
17. John F. Seiberling (D-OH)

Republicans

1. Gene Taylor (R-MO)
2. William Dickinson (R-AL)
3. Pat Roberts (R-KS)
4. Ron Marlenee (R-MT)
5. Lyle Williams (R-OH)
6. Phil Gramm (R-TX)
7. William Whitehurst (R-VA)
8. Jerry Lewis (R-CA)
9. Larry Hopkins (R-KY)
10. J.P. Hammerschmidt (R-AK)
11. Bob McEwen (R-OH)
12. Carroll Campbell (R-SC)
13. Tom Kindness (R-OH)
14. Hamilton Fish (R-NY)
15. Thomas J. Bliley (R-VA)
16. James H. Quillen (R-TN)
17. Marjorie S. Holt (R-MD)
18. J. Kenneth Robinson (R-VA)
19. David Dreier (R-CA)
20. F. James Sensenbrenner (R-WI)
21. Gene Snyder (R-KY)

Form 8027 for tip reports

The Internal Revenue Service has released a draft of the form to be used by restaurateurs in complying with the new tip reporting law. Called "Employer's Annual Information Return of Tip Income and Allocated Tips," the form has been given the number 8027. Although the form (reproduced in this column) is subject to change and Office of Management and Budget approval, NRA does not foresee any major changes.

Of particular interest to restaurateurs is the apparent elimination of some of the paperwork required by the regulations. The regulations state that an employer must submit the name and Social Security number of all employees to whom an allocation is made or a photocopy of those employees' W-2 forms. Now it appears IRS will drop this requirement entirely. Instead, the 8027 will simply ask for the total number of directly tipped employees in the establishment in 1983.

The form provides two reporting columns—one for the first quarter of 1983 and another for the period of April through December 1983. Employers will record the following in the appropriate column:

1) total charged tips,

2) total charged receipts (other than nonallocable receipts) on which there were charged tips,

3) total amount of service charges of less than 10 percent paid as wages,

4a) total tips reported by indirectly tipped employees,

4b) total tips reported by directly tipped employees,

4c) total tips reported,

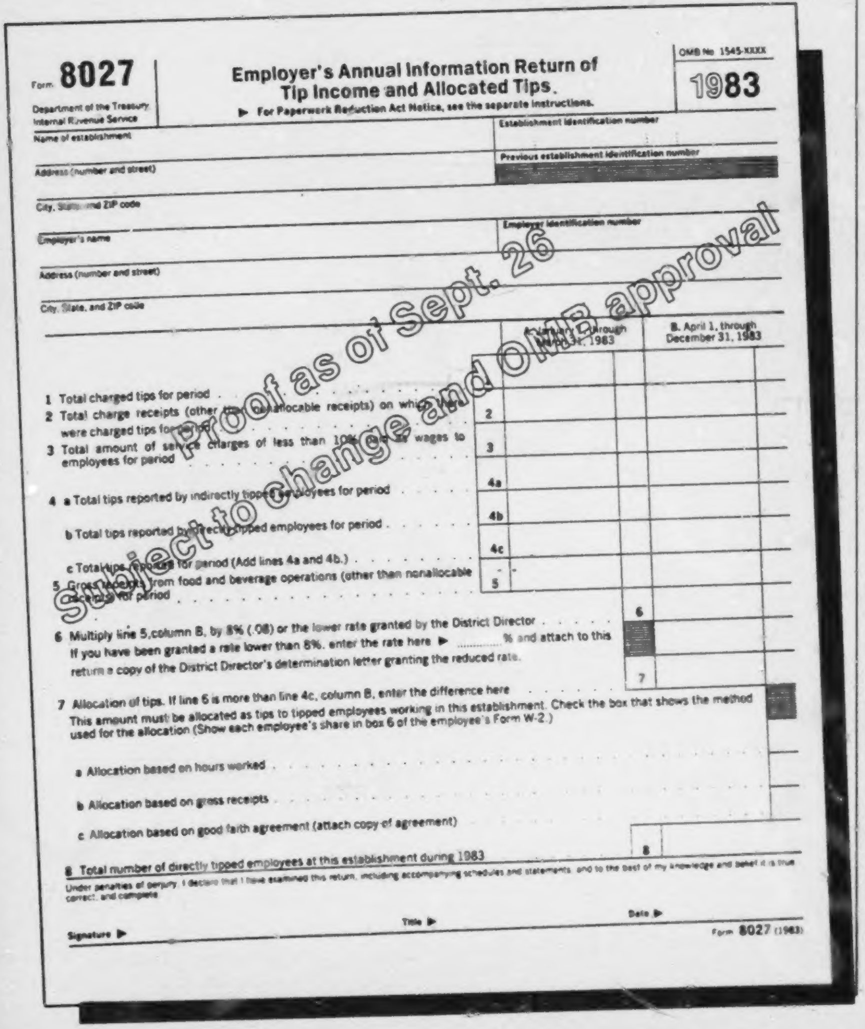
5) total gross receipts (minus nonallocable receipts),

6) eight percent of total gross receipts,

7) allocated tips and

8) total number of directly tipped employees in the establishment.

In addition, employers must indicate which method of allocation they used—"good faith" or IRS formula. If a good faith agreement is used, a copy of it must be attached to the 8027 form.



Form **8027**

Department of the Treasury
Internal Revenue Service

Employer's Annual Information Return of Tip Income and Allocated Tips.

► For Paperwork Reduction Act Notice, see the separate instructions.

OMB No. 1545-XXXX

1983

Subject to change and OMB approval

Proof as of Sept. 26

Name of establishment

Establishment identification number

Address (number and street)

Previous establishment identification number

City, State, and ZIP code

Employer's name

Employer identification number

Address (number and street)

City, State, and ZIP code

		A. January 1, through March 31, 1983	B. April 1, through December 31, 1983
1 Total charged tips for period			
2 Total charge receipts (other than nonallocable receipts) on which there were charged tips for period	2		
3 Total amount of service charges of less than 10% paid as wages to employees for period	3		
4 a Total tips reported by indirectly tipped employees for period	4a		
b Total tips reported by directly tipped employees for period	4b		
c Total tips reported for period (Add lines 4a and 4b.)	4c		
5 Gross receipts from food and beverage operations (other than nonallocable receipts) for period	5		

6 Multiply line 5, column B, by 8% (.08) or the lower rate granted by the District Director . . . . . . If you have been granted a rate lower than 8%, enter the rate here ► ....% and attach to this return a copy of the District Director's determination letter granting the reduced rate. 6

7 Allocation of tips. If line 6 is more than line 4c, column B, enter the difference here . . . . This amount must be allocated as tips to tipped employees working in this establishment. Check the box that shows the method used for the allocation (Show each employee's share in box 6 of the employee's Form W-2.) 7

a Allocation based on hours worked . . . .

b Allocation based on gross receipts . . . .

c Allocation based on good faith agreement (attach copy of agreement)

8 Total number of directly tipped employees at this establishment during 1983 8

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature ► Title ► Date ►

Form **8027** (1983)

O'Neill kills immigration bill

In a move that surprised many, House Speaker Thomas (Tip) O'Neill (D-MA) last month said he would block any attempts to bring up for floor consideration H.R. 1510—the Immigration Reform and Control Act. That move effectively kills the bill, which had been opposed by a number of groups.

Many in Congress expected the bill to be taken up this fall; it had been reported from the Judiciary Committee earlier this year and was pending in the Rules Committee. Similar legislation had been approved by the Senate earlier this year.

However, primarily for political reasons it appears, O'Neill felt it best not to consider the bill this year. O'Neill said he had heard a rumor that if the legislation passed, President Reagan planned to veto it in order to gain votes from Hispanics in the 1984 election. The bill was bitterly opposed by this group, whose members said it would result in discrimination against workers who appear to be foreign-born.

By postponing a vote on the legislation, O'Neill avoided a potential presidential veto that would work against his party. He also saved his fellow Democrats from making a difficult vote on a bill that would have repercussions during next year's elections since many of the groups opposed to the bill have traditionally supported the Democratic party.

Although NRA did not actively oppose the legislation, it did have concerns about the paperwork and employer sanction provisions of the bill. NRA found the House version more acceptable than the Senate bill because the House measure contained an NRA-backed amendment that would make employer recordkeeping optional.

Rep. Campbell speaks to NRA board about tip reporting, job credits, youth opportunity wage

"I don't see anything drastic coming out of Ways and Means in the way of tax legislation this year," U.S. Rep. Carroll Campbell, Jr. (R-SC) told NRA directors during their fall meeting in Washington. Campbell is on the powerful House tax-writing panel and spoke to the NRA Board of Directors during its government relations committee meeting.

Campbell, a former restaurant executive and a sponsor of the NRA-backed tip reporting bill (H.R. 3803), said, "There's no enthusiasm for raising the $8 to $12 billion required by this year's budget resolution." He stated that the Ways and Means Committee would probably make rather "narrow" changes in laws governing employee fringe benefits, various leasing arrangements and taxes on the life insurance industry. And it may move to close some loopholes.

Campbell noted that he voted against last year's tax bill, and he characterized the new tip reporting requirements contained in the bill as "particularly onerous."

The third-term congressman said he felt H.R. 3803 "is the way to go" and that it has "a chance of passing" if the industry works hard at getting constituents to contact their congressmen.

Campbell also said that he supported extension of the Targeted Jobs Tax Credit (TJTC), used by many foodservice employers in hiring individuals from nine federally-designated groups. Employers who hire such individuals are eligible for a tax credit of up to $3,000 of the individual's first-year wages and up to $1,500 of second-year wages. TJTC was extended for two years by Congress last year but will expire after Dec. 31, 1984 if Congress does not extend it again.

Campbell also told the group that he and Budget Committee Chairman Jim Jones (D-OK) have introduced legislation to reduce federal expenditures in entitlement programs, which now make up 51 percent of the federal budget and automatically increase according to changes in the Consumer Price Index (CPI). Campbell said his bill could save the government $180 billion by 1990 simply by disallowing increases on the first two-percent change in the CPI.

Representative Campbell

Campbell is also the sponsor of legislation to provide for a youth opportunity wage for teens. The bill would allow employers to pay teens 85 percent of the minimum under certain circumstances. He admitted that the legislation had little chance of moving because it is strongly opposed by labor.

FDA receives reports on effects of sulfites

The Food and Drug Administration (FDA) has received 140 reports that link the consumption of foods treated with sulfitic preservatives to adverse reactions. Sodium bisulfite and other sulfitic agents—often used to prevent browning in fresh fruits and vegetables—are now under study by the agency. According to FDA sources, changes in the rules governing their use may be proposed next year.

Reactions to the chemical are reported to include nausea, diarrhea, shock, acute asthma attacks and loss of consciousness. They are reported to have occurred soon after eating restaurant salads or other foods, eating certain processed foods or drinking wine and other beverages containing sulfites. FDA also says it has received reports of adverse reactions experienced by foodservice personnel who handle sulfitic agents and by persons who take prescription medications.

While most of the reactions have occurred among asthmatics, FDA says that about 30 percent of the reported cases occurred in non-asthmatics with no known allergies. "The number of people at risk for reactions is not known but may be large," FDA says.

FDA has invited doctors who know of confirmed or suspected reactions to sulfites to report them to the agency. It also has suggested that doctors remind patients who are asthmatics to ask before ordering at restaurants if the food has been treated with sulfitic agents.

In addition, FDA is said to be planning a "mini-survey" on the use of sulfites in both fresh and processed foods, including restaurant foods. It also has considered setting up an advisory committee to study the use of the preservatives in foods and drugs.

Last year FDA proposed that sulfitic agents remain on the agency's Generally Regarded As Safe (GRAS) list with minor restrictions. After the FDA proposal was published, the Center for Science in the Public Interest charged that use of the chemical was linked to severe reactions in at least 12 cases that showed "near-fatal hypersensitivity reactions" in some people. The public interest group maintained that use of the chemical should be banned. FDA subsequently extended its comment period on the proposal, and NRA asked FDA to undertake testing to measure the safety of sulfites when used as directed on fresh foods.

In February, NRA recommended that restaurateurs stop using these preservatives until FDA completes studies to ascertain their safety. At this point, sulfites still remain on FDA's GRAS list. But a new proposal concerning the GRAS status of sulfites is under consideration.

In the meantime, FDA has advised companies operating interstate that consumers must be notified if sulfitic agents are used on products intended for raw consumption. It also has made changes in its "model" health code (adopted by about half the states) that requires restaurant, grocery and other retail food establishments to inform customers of the use of sulfites.

—Jay Morris

THE BOARD ROOM

NRA to send Tip Reporting Packet

During the fall board meeting the NRA Board of Directors decided to distribute a tip reporting information packet to members. Distribution of the packet is part of the board's ongoing effort to help members cope with the tip reporting provisions of the Tax Equity and Fiscal Responsibility Act (TEFRA). It is specifically aimed at alleviating any problems that might arise with delivery of the first W-2 forms reflecting allocated tipped income in January, 1984.

In addition to factual information on the requirements of the new law and the responsibilities of restauranteurs and restaurant employees, the packet will educate members on standard lobbying techniques. It will provide instructions for

- educating employees on what the allocated figure really means and what to expect from the IRS. A sample mailer for employers will illustrate and explain the new W-2 form
- directing employee anger toward the legislation which requires management to allocate tipped income
- dealing with unionization efforts
- forging an effective coalition of local restauranteurs and restaurant employees
- effectively communicating with local legislators
- developing local petitions, position statements and other grassroots lobbying materials
- setting up meetings with members of Congress during the "district work period" and
- determining the compliance costs of the new law.

The packet will be mailed to NRA members in December.

President Lee: An NRA presence across the nation

Since assuming leadership of NRA last May, President Joe R. Lee has been a frequent guest speaker at regional foodservice shows and state association meetings. Activities for the month of October alone include presentations before the Multi-Unit Food Service Operators Conference (MUFSO) in Los Angeles, CA; the Southeastern Hospitality and Foodservice Show in Atlanta, GA; the Midwest Foodservice and Equipment Exposition in Kansas City, MO; and addresses before members of both the Iowa and Michigan restaurant associations.

Recent speeches highlighted emerging trends that offer both challenge and promise to foodservice operators, such as consumer interest in ethnic foods, nutrition and quality service.

Balestreri to head California Restaurant Association

Ted J. Balestreri, NRA treasurer and co-owner of the Sardine Factory in Monterey, CA, has been elected president of the California Restaurant Association (CRA) for the year beginning September 1983.

NRA Treasurer Ted J. Balestreri poses with Culinary Institute of America student Roland J. Roy, Jr., during the American Academy of Achievement's 22nd Annual Salute to Excellence Weekend. Roy was one of many high school and technical students honored during the symposium. Balestreri sponsored Roy.

This latest honor caps many in a distinguished foodservice career. During his 20 years in foodservice, Balestreri has been frequently called to leadership positions. His recent appointment follows positions as president of the Northern California Restaurant Association, forerunner of the California Restaurant Association, and president of the Monterey Peninsula Hotel and Restaurant Association, an organization that he helped found.

In addition to the Sardine Factory, Balestreri operates the Rogue Restaurant in Monterey, the Carmel Butcher Shop and The San Simeon Restaurant. Current projects include the development of a new multi-million dollar hotel-restaurant complex on Cannery Row in Monterey.

Balestreri succeeds A.L. Sanford of Griswold's in Claremont, CA, as head of CRA.

Monaghan purchases Detroit Tigers

NRA Director Thomas S. Monaghan, founder, president and chairman of the board of Domino's Pizza, Inc., Ann Arbor, MI, recently bought the Detroit Tigers, one of the most prestigious sports franchises in the U.S.

Monaghan purchased the Tigers, a major league baseball team that dates back to 1876, from John Fetzer, a Kalamazoo, MI, broadcasting millionaire and sole owner of the team since 1962. The sale covers the Tigers franchise in the American League, major league player contracts and rights to minor league players.

The Tigers, who won the World Series in 1968, distinguished themselves during the recent season by finishing second behind the Baltimore Orioles in the Eastern division of the American League.

Commenting on the recent sale to Monaghan, Fetzer said, "Numerous offers have come to the Tigers from many qualified buyers in the past, but I have selected Tom Monaghan as a person who, in my opinion, will serve the best interests of the city of Detroit and the fans of the Detroit Tigers. As a successful businessman and a sportsman he will, I predict, soon become a leading club owner in the great institution of baseball." *—Dorothy Dee*

EDUCATION

THE HOSPITALITY PROJECT

applies standards to service

by Aaron Donatello

Most people agree the key to success in the restaurant industry is repeat business. Advertising, promotion and location bring customers in at least once. What brings them back? Recent research involving restaurant owners, managers, employees and customers has confirmed what many already know: Quality food, service and sanitation top the list as the three most important factors in repeat business.

Of the three attributes, service is the most difficult to control and evaluate. Research has shown that restaurant owners, managers and staff view service differently than do their guests. Restaurant operators and employees define service in terms of flair, smoothness, speed and dexterity; in other words, a technical perspective. When queried about their own satisfaction from service, guests respond in terms of courtesy, concern, friendliness and caring—a viewpoint best translated as hospitality. Therefore, customer needs suggest service be thought of as hospitality.

If hospitality is critical to the success of an operation, why shouldn't it be measured and controlled in the same manner as product quality and sanitation? Operators have consistently developed standards for recipes, production, storage, sanitation and decor. These standards are used in written guidelines for achieving measurable performance and as the foundation of training and evaluation.

The National Restaurant Association's Hospitality Project has developed the same type of standards for service. A product of two years of commitment and research, the Hospitality Project is now being offered to the foodservice industry as a comprehensive training program, complete with certification. Individual train-the-trainer workshops have been designed for full-service, fast food and cafeteria restaurants.

> After two years of intensive research, The Hospitality Project is off the ground. The workshop provides operators and their staffs measurable standards for quality service—whether the operation is a full-service restaurant, a cafeteria or a fast food operation.

The Hospitality Project begins with a customizing process for standards identification and follows through with training, maintenance and certification programs. The project is presented in a two-day workshop format involving lecture, breakout groups and team presentations to familiarize attendees with the materials. The *Management Hospitality Guide*, which accompanies the program, provides

- restaurant hospitality standards
- tools for hiring hospitable staff
- programs for teaching management and staff hospitality standards
- ideas and tools for rewarding and maintaining new hospitality skills and
- operating policies and procedures that support hospitality standards.

Critical moments...

The research that preceded the Hospitality Project identified five critical moments in guest satisfaction in full service restaurants: greeting, seating, serving, guest departure and maintaining hospitality. Cafeterias and fast food operations have only four critical moments as seating is omitted. These areas are further broken down into 30 individual standards of hospitality.

However, even with the most complete list, employee hospitality standards cannot be met unless there is a workable management policy behind them. If restaurant management doesn't have in place the policy, procedure or mechanism to allow it to happen, then the standard can't be met—at least not on a consistent basis.

With this in mind, the Hospitality Project provides standards worksheets. During the workshop they are presented in such a way as to focus attention on "being part of the solution" vs. "being part of the problem." Potential operational problems or "barriers" which could prevent complete fulfillment of each standard are noted with corresponding "action steps to be taken" to overcome resistance.

To establish the framework for hospitality in an operation, it is recommended that owners, managers and possibly key employees go through this standard customization process to assure that the very best ideas are examined. This way management and employees "buy into" the policies and procedures, helping the standards to be realized.

Workshop participants wear two hats...

Attendees of the Hospitality Project workshop are encouraged to remember that they are wearing two hats, that of the learner and that of the trainer. They must learn and fully understand the workshop flow and its materials, then go back to their units to present and implement the program as project coordinator, training manager and staff. To facilitate this subsequent training process a section on improving training skills has been included.

When trainers return to the restaurant, the recommended training flow is

1. management training
2. kickoff meeting and
3. employee training.

Training sessions have been designed for practical implementation in a realistic restaurant setting. The sessions are generally no longer than one hour in presentation length with minimal prep time involved. A total of 10 training sessions (management and employee) have been prescribed. Management training focuses on the following

1. standards review
2. employee training
3. observing, coaching and rewarding performance
4. certification/daily communication and visibility and
5. hiring for hospitality.

Employee training sessions cover the five critical moments and their standards

1. greeting
2. seating (omit for fast food and cafeteria programs)
3. serving
4. guest departure and
5. maintaining hospitality.

Participants learn how to train others...

Trainers who attend the NRA workshop are instructed to follow the same basic outline of the two-day workshop in their operations. The method of teaching the material is also very much the same—highly interactive question-and-answer sessions using the materials provided.

The project's employee training sessions are designed so that sessions can be conducted with groups of employees from several different job functions. The format for each session is similar and employees are provided an *Employee Hospitality Manual*.

Training alone will not guarantee hospitality. Once staff members are trained in the hospitality standards, their performance can only be maintained through regular follow-up activities, including performance observation, coaching, feedback, rewarding, daily communication and management visibility. These activities are critical to keep the hospitality team concept working in a restaurant. The workshop will examine each of these activities, including some tools to be used in performing each function.

Rewarding hospitable behavior...

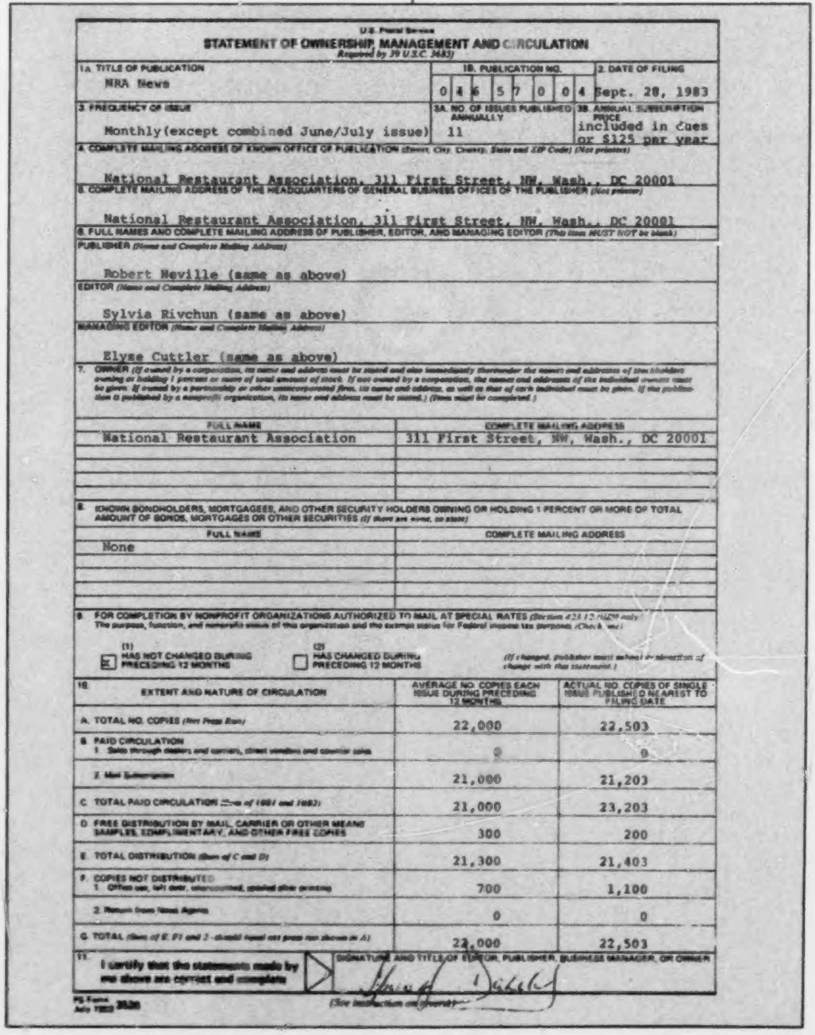
An important way to reward hospitable behavior is to certify hospitable staff in the National Restaurant Association Hospitality Project. The certification process can take place at all levels. The tangible rewards of certification include:

- *The Hospitality Project lapel pin* (distributed in quantity at the Hospitality Project Workshop)
- *The Qualified Hospitality Manager Certificate* (also received in quantity at the workshop)
- *The Qualified Hospitality Trainer Diploma* (awarded after completed Project Coordinator's Self-Auditing Checklist is mailed to the National Restaurant Association) and
- Recognition for your restaurant in the *NRA NEWS* (plus a press release to send to local media for additional publicity)

Hiring for hospitality...

Once a restaurant's current staff is trained in the Hospitality standards, maintaining the system is only possible by hiring positive, caring people who can convey a feeling of hospitality to guests. To assist towards this end, the workshop introduces an "Action Steps for Successful Interviewing Checklist" and a "Hospitality Interview Worksheet". These are discussed in the "Hiring for Hospitality" section of the guide. Also included in the program is a section pertaining to new manager and new employee orientation.

After the elements of the Hospitality Project are understood, the next step is to develop a plan for implementing the system. For convenience, a master implementation plan is provided, summarizing all key implementation steps and Hospitality Project maintenance procedures. ☐



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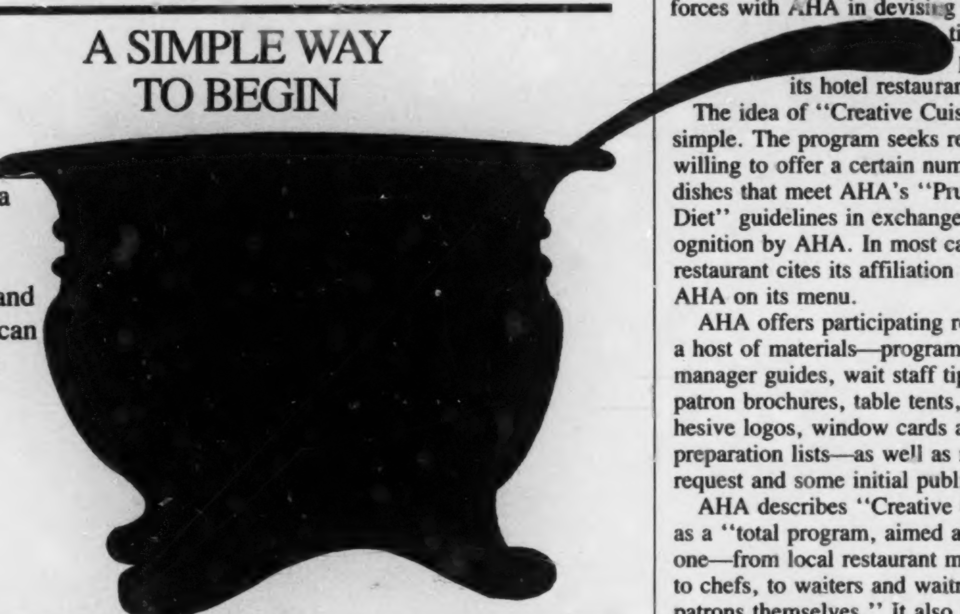
INTRODUCING NUTRITION IN YOUR RESTAURANT

A SIMPLE WAY TO BEGIN



Part 2 of a five-part series on nutrition and the American restaurant

by Patricia B. Kelly,
director of communications
Public Voice

Perhaps the easiest, certainly the most traditional, nutrition-oriented effort by restaurants has been to offer one or more entrees that follow a special diet plan developed by a health organization, medical center or diet group.

These organized diet programs are popular and work quickly because they are already there: They are relatively easy to adapt and promote and, depending on their source, they convey important health credibility to the restaurant's effort.

"Nutrition and the American Restaurant," a major report prepared and published by Public Voice for Food and Health Policy in cooperation with American Express (the American Express Foundation and the American Express Travel Related Services Company), examines the range of organized diet programs adopted by restaurants across the country, with special attention to the American Heart Association's (AHA) "Creative Cuisine" program.

The Public Voice study found that AHA's low-calorie, low-fat, low-cholesterol program and its offsprings have had more effect on more restaurants than any other organized diet effort promoted by health groups or medical professionals.

"Creative Cuisine"—the first attempt...

"Creative Cuisine" was developed in Palm Beach, FL, in late 1975. It was the AHA's first attempt to help restaurants focus on the needs of a populace seeking to eat healthfully and prevent heart disease. Since then, some three dozen affiliates and chapters in 27 states have adopted local variations of the program. AHA has sought to expand the program's influence by promoting "Creative Cuisine" to large corporations with quality control, multiple sites and sophisticated evaluation methods. Recently, for example, the Marriott Corporation became the first major hotel chain to join forces with AHA in devising a nutritious menu plan for its hotel restaurants.

The idea of "Creative Cuisine" is simple. The program seeks restaurants willing to offer a certain number of dishes that meet AHA's "Prudent Diet" guidelines in exchange for recognition by AHA. In most cases, the restaurant cites its affiliation with AHA on its menu.

AHA offers participating restaurants a host of materials—program guides, manager guides, wait staff tip sheets, patron brochures, table tents, self-adhesive logos, window cards and chef preparation lists—as well as recipes on request and some initial publicity.

AHA describes "Creative Cuisine" as a "total program, aimed at everyone—from local restaurant managers, to chefs, to waiters and waitresses, to patrons themselves." It also makes it very clear that basic menus are *not* changed by participating in the program. Instead, certain items on the menu are emphasized.

While the framework for "Creative Cuisine" is national, chapters are free to vary their deliveries based on local needs. Some chapters offer materials different from the national selection. Many have even changed the program's names. Examples include: "Hearty Heart," "Eat Well" and "Good for You."

The Los Angeles approach...

The Greater Los Angeles affiliate of the American Heart Association is, according to Mary C. Winston, medical program science administrator at the AHA's national center, a special model of what a program can be. Called "Dine to Your Heart's Content," the Los Angeles program has grown in the last two years to include 165 restaurants in the area and 400 out-of-state franchise restaurants with headquarters in Los Angeles.

Nearly 40 percent of the participating restaurants specialize in what the affiliate calls "fine food." These include seafood restaurants as well as an ethnic mix of Mexican, Chinese, Japanese, Italian and French dining places. One-fifth are take-out eateries. The rest feature "casual" dining or family fare. Annamarie Shaw and Denise Rector, who direct the program, hope to expand into private clubs and business dining rooms within the next year.

At the heart of the Los Angeles program are the "Prudent Diet" guidelines.

Participating restaurants must agree to offer at least four entrees based on the guidelines. The entrees may include

- no more than 6-ounce portions of cooked meat, fish or poultry with no more than 15 percent fat content. The item must be trimmed of fat or skin and baked, broiled, boiled, steamed, rotisseried or sauteed with approved fats and oils (soybean, corn, safflower, cotton seed, sunflower or sesame) and
- the following dairy products: low fat (2 percent or nonfat) milk, nondairy creamers made from approved oils, and low-fat (under 10 percent) cheeses.

The guidelines cite other specific criteria for salads and salad dressings, vegetables, breads and desserts, including the use of margarine and, of course, approved oils.

Unlike "Creative Cuisine" (which permits corn and safflower oils only), the Los Angeles program allows a variety of polyunsaturated oils. This flexibility helps the program. Changing types of oils is one of the major stumbling blocks for restaurants that consider joining. Other key problems are using margarine and low-fat cheeses. On the other hand, the program allows certain items prohibited by other diet plans, such as beef dishes, although hamburgers often exceed the fat levels permitted. Reducing portion sizes is one way around the fat restrictions. And the L.A. program spells out the ingredients permitted, sometimes with brand names and distributors. Basically, it "interprets" the guidelines for restaurants more than "Creative Cuisine" does, which has contributed to its success.

> **"There are considerable public relations benefits from offering a health-conscious program that is endorsed by a recognized group such as the American Heart Association."**

The California program's flexible approach extends to information as well. Restaurateurs may cite their program affiliation in a variety of ways, on and off the menu. And they may designate approved entrees in different ways (although most use the hearts of the AHA). The minimum publicity required of restaurateurs is to display the program's window decal and to explain the program to interested patrons in some organized fashion.

To put the "Dine to Your Heart's Content" program to work, the L.A. affiliate's nutrition committee formed a volunteer task force to visit restaurants that either had expressed an interest in the program or appeared to be likely candidates, such as seafood and chicken dining places. The volunteers explain the program to restaurateurs and show how their existing menus either meet the diet guidelines already, or could do so with some alterations, such as using certain oils or cutting portion sizes.

Restaurateurs who agree to offer four entrees that meet the program guidelines sign a "gentleman's agreement" to comply and to feature their affiliation with the Los Angeles Heart Association. The agreement includes the ingredients approved for use and stipulates that the affiliate will check the menu yearly for compliance. Volunteers use a checklist to carry out this function.

The program directors emphasize that "Heart's Content" only approves the menu or the guidelines on the menu; it does not monitor actual entrees and their preparation.

In addition to free materials from the Los Angeles Heart Association, new restaurants become eligible for cut-rate monthly advertising through a consortium effort coordinated by the program. The *Los Angeles Times* advertising co-op department helped train "Heart's Content" volunteers to market and promote these ads.

Why restaurants join...

"If they have agreed to sit down and talk with us, restaurateurs usually have something in mind," says Annamarie Shaw. "It's not difficult then to get to the next step. But restaurants will not do this out of altruistic motives," she adds. "There must be a profit or promotion incentive."

One clear incentive is the potential of increasing sales to a new or fast growing clientele. This potential has been expanded by the lifestyle changes that emphasize fitness and health. The program offers an obvious opportunity to "cash in" on these changes.

Next, there are considerable public relations benefits from offering a health-conscious program that is endorsed by a recognized group such as the American Heart Association. Further, the program itself creates additional benefits by promoting the relationship between the restaurant and the heart association.

Not inconsequential is the free promotion offered by the program. All of the materials from the affiliate are complimentary and advertising costs are discounted (about $125 to $250 to participate in the monthly advertising offered).

Finally, joining the "Heart's Content" program is a relatively easy way for a restaurant to establish a health-conscious orientation. The program is in place and the guidelines are clear. It is not difficult to meet them.

"Restaurants often find they already are doing one or two things required by the program. It can be a matter of simply changing one or two other things in order to qualify," says Shaw. "Then they can use our name." Making changes required by the guidelines need not be an added expense. If the kitchen *must* use a certain polyunsaturated oil for four entrees, for example, it can use the oil in other dishes as well.

Some restaurants, like Hungry Tiger and Tokyo West, already offer many healthful dishes and do not need to make changes. These have found the program to be a useful promotional vehicle.

According to Marilyn Yamamoto, co-owner of Tokyo West, "The program gives us the opportunity to point out that there are some superb Japanese meat or fish, vegetables and broth dishes—such as *shabu shabu*, *yosemabe* and *tori mizutaki* that are naturally low in calories, fat and cholesterol and salt."

Ninety percent of the restaurants approached by the Los Angeles Heart Association so far—most of them likely candidates—have become participants in the "Heart's Content" program. But the reason one family chain did not join the program is instructive. The chain could not reconcile one difficulty: By indicating which of its menu entrees were approved by the AHA affiliate, the restaurant felt it was conveying a subtle message that the "unapproved" entrees were somehow less than healthful. It feared the overall perception would be detrimental.

Another restaurant chain, however, faced the same problem and came up with a workable solution—marking more items, but with qualifiers, such as outlines of hearts next to dishes that would meet the guidelines in smaller portions. Other solutions are to have separate program menus or to suggest that patrons ask for waiter assistance in identifying menu entrees that are program-approved.

Restaurant employees need to know more about the program. The coordinators say restaurateurs have to educate their employees so that waiters and waitresses can supplement or explain the information in the program materials. On the other hand, Shaw and Rector are sensitive to the delicate balance of program responsibilities juggled by restaurants and the association. "If you put too many responsibilities on the restaurant, you risk losing them," says Shaw.

The future. . .

The heart association program could and should be larger. This seems to sum up what patrons as well as program directors think of "Heart's Content." Shaw and Rector want more restaurants to join. More than 160 is a lot for two years of work, but Rector points out, "It is only a dent among Los Angeles restaurants, which number around 4,000." The number of participants is limited by the number of program volunteers able to work on enlisting more, the directors say, and—despite publicity—by lack of knowledge about the program among restaurants.

Patrons are interested in "Heart's Content." A recent poll conducted by the heart association showed that patrons like the program as much as the participating restaurants do. In fact, every single poll respondent said the "Heart's Content" program was beneficial in some way. A small percentage expressed disappointment that the program had not been publicized more.

Meanwhile the Los Angeles media and the trade press are beginning to recognize the program. This spring the California Restaurant Association's *Quarterly Digest* said the program "combined healthy hearts and healthy profits,'" that it was "free and easy" and "can help you (the restaurateur) increase profits while securing new patrons."

Other favorable publicity has brought restaurants to the association. "Heart's Content" is growing more rapidly now, says Rector, because more restaurant owners and doctors are talking about it and more consumers are asking for it. To build on this enthusiasm the heart association plans to publish a dining guide on dining out that explains what foods are endorsed by the program and which are recommended "once in a while." It is also preparing a brochure that lists all participating restaurants. A similar brochure has been published by the Chicago AHA Chapter.

Editor's note: *For more information on "Creative Cuisine," contact your local American Heart Association or the AHA National Center, 7320 Greenville Avenue, Dallas, TX 75231.* ❑

Demographic groups differ in consumption patterns

NRA's exclusive Gallup survey reveals that Americans are changing their away-from-home eating habits due to nutritional and health concerns. The full report on this survey appears in Foodservice Trends, *page 30.*

Demographic groups that most frequently use "less salt"

- individuals 50 years old and older (31%)
- individuals with less than a college degree (28%)
- those earning less than $15,000 a year (31%)
- non-working women (31%)
- residents of the Midwest (30%) and West (30%) and
- those who dine out one time or less per week (31%).

Demographic groups that most frequently order "more fish"

- individuals 50 years old and older (25%)
- college graduates (28%)
- those earning at least $30,000 a year (27%)
- working women (24%) and
- those who dine out four or more times a week (30%).

Demographic groups that eat "more vegetables"

- individuals between the ages of 18-34 years (24%)
- college graduates (23%) and
- residents of the South (25%).

Demographic groups that eat "more salads"

- individuals between the ages of 18-34 years (24%)
- individuals with an annual income of less than $30,000 (21%) and
- residents of the East (20%) and Midwest (21%).

Demographic groups that eat "less fats"

- individuals 50 years old and older (20%)
- those with incomes of at least $15,000 a year (18%)
- non-working women (18%) and
- residents of the Midwest (23%).

Source: *The Gallup Monthly Monitor of Eating Away From Home.* September 1983—NRA exclusive question.

STAYING IN BUSINESS TAKES MORE THAN LUCK

by Kathy Boyle

If the thought of empty tables makes your blood run cold, you're not alone. With the high failure rate for restaurants, empty tables are the fear of every restaurant owner. Long before the empty tables actually appear, however, there are clues.

First signal—decreased profits. . .

Perhaps the first indication that there is trouble is financial—decreased profits. To avoid getting the bad news late (30 to 60 days after the downturn), owners should devise a way of collecting financial information on a timely basis. The system installed should collect key pieces of information that are timely, accurate and in a format where the data suggests or identifies the solution.

Keeping track of the number of customers is the best starting place. If a slowdown in traffic begins to develop, you'll know early. At the first sign of trouble, investigate. Is the problem the menu, the service, changing customer needs, the decor or management controls or has new competition moved in?

Average check figures should be monitored as well. If customers are buying less, it's time to find out why. Is the restaurant too busy? Do customers get tired of waiting and so don't order dessert? Are employees selling for you by suggesting new or special menu items? Are items too expensive for your customers?

Identifying the reasons for the rejection can be a difficult task. It usually takes some thinking, planning and research to get the problem solved. "If the restaurateur can determine he or she has a problem," adds David Kincade of the accounting firm Laventhol & Horwath, "and correctly defines it, he is well on his way to solving it." O'Brienstein's in Richmond, VA, for example, discovered that 27 percent of its customers were in the 18 to 24-year-old age group. The restaurant had raised its prices out of range of this group. By adding items to the menu this segment could afford, O'Brienstein's increased its business.

Look at your operation. . .

Ray Petteruto, author of *How to Open, Operate and Run a Restaurant*, suggests every operator use an audit procedure to analytically look at the operation. He suggests a step-by-step, thorough going-over of each component of the operation—location, menu, projections for sales, labor, food costs, expenses, owner traits and skills, competition, layout and equipment, security, and recordkeeping as well as legal and insurance matters.

"By summarizing each aspect of the operation," he says, "analytical high and low points can be identified. Ask, 'Where am I strong; where am I weak?' You can be a good chef but go out of business. Operators particularly ignore the technical and management factors behind the food."

According to Petteruto, if you have a bad location, assess its overall value. What other possible use could you make of your location or even a part of your extra floor space? Maybe you have too large a space for your concept. If you were to convert the space to another line of business, say from dinner house to fast food, do you have the right electrical wiring or plumbing for a conversion?

You have to keep putting the time and money into the operation. People—your customers and your employees—give you your profit, so put some of the money back for the customers and the employees. For example, tell the chef, 'Now we're able to afford a new stove. Let's go pick it out together.'"

What about research?. . .

In addition to a critical audit, market research is usually a required part of a successful operation. Restaurant owners and managers need adequate, accurate and current information to market their menu items and their restaurant concept and to stay in touch with their customer base. For those who have never done their own research, the prospect can seem quite frightening.

The National Restaurant Association book *Market Research for the Restaurateur--A Do-It-Yourself Handbook for Market Research*, provides a step-by-step approach. The research techniques used in NRA's book don't require any previous knowledge of statistics or computers. None of the activities require large sums of money and can be completed relatively easily.

One of the most important sources of information for demographic information is the U.S. Bureau of Census. Census tract data can be purchased relatively cheaply (90¢ tract after $70 fee) by zip code. Other organizations, such as Urban Decisions, provide similar information. It is always a good idea to use two sources of information to double-check census data. State and local planning and economic agencies can also be of assistance. You can even turn the whole project over to a college, university or consulting firm should you find you can't fit research into your schedule.

If research shows your visibility is not high with the public or your price/value image is low or you just need to create more excitement about your operation, pull out the stops on advertising and promotions. The successful operator knows advertising and promotion are regular, ongoing parts of the overall marketing strategy.

Is management the problem?. . .

More businesses fail because of poor management techniques than for any other reason. Make sure you are in charge of your restaurant.

"Don't overestimate your abilities," adds Maurice Minno of Management and Design Resources in McLean, VA. Hire the people you need. "It is difficult for an owner to be a personnel manager, financier, chef, food purchaser, tax expert and public relations expert all at once. Some owners are very good in some areas but not in others."

Tom Kershaw, owner of the Hampshire House and Bull and Finch Pub in Boston, MA—the model for television's hit series "Cheers"—explains his operation was in trouble just a few years ago. "My partner and I split after some problems. We were not doing well. The key to improving our operation was our management structure. It was incorrect. Through analysis we found that when we were doing 80 percent of our volume, we were attempting to use assistants rather than professional managers. I was around from 9:00 a.m. to 5:00 p.m., Monday through Friday, but we needed a good middle management team nights and weekends. I stepped out, became the owner, concentrating on marketing and sales development. Then we built a good middle management team."

When Kershaw was able to expand the Hampshire House, he turned over one of his two newly-acquired units to his manager. Like Kershaw, you can avoid the high cost of turnover by rewarding talented employees. Use pay incentives and a more appealing work environment to make employees' jobs more rewarding.

According to some consultants, there are three things that separate the successful operator from the unsuccessful one: the ability to select talented employees, the ability to understand leadership and the knack for getting feedback from employees. If there is a management problem, often one of these ingredients is missing.

If you lack management know-how in this or another area, consider taking

10 PITFALLS to avoid in your restaurant

1. **Lack of management know-how**
   Inadequate management expertise is the most common reason for small business failures. Learn to select people who will contribute to your operation and compensate for your own weaknesses. Learn behind-the-scenes techniques that will help you stay on top of your business. If you don't have the time or interest to build management expertise, hire someone who has it.
2. **Undercapitalizing your business**
   This is a chronic problem with small businesses. Do you know where you are going to get money should you run into rough times?
3. **Allowing your product quality to slip**
   You can't keep a strong business on the strength of past successes. Make sure the quality of your food and service is consistently high.
4. **Infrequent market research**
   If it has been more than a year since you've researched your market, you're out of touch. Maybe your market has changed or your menu no longer matches your marketing plan. Be sure you know who your customers are. What is their age? Income? What do they like? Dislike? If you can't answer even one of these questions, it is time for market research.
5. **Losing track of customer counts**
   The minute your customer counts start dropping find out why. Is it your menu, service, decor, competition, controls, location?
6. **Losing track of the average check size**
   If the average check amount begins to decline, find out why. Are items too expensive for your customers? Are the items not popular any more? Is it the economy? Health concerns? Competition?
7. **Forgetting to reward your employees**
   Use salaries, incentives and better working conditions to make your employees' jobs more rewarding.
8. **Being afraid of change**
   Don't be the last to try new ideas. Demonstrate to customers your ability to change by adding new menu items, services and decorative touches.
9. **Not putting the profit back into the business**
   Keep the place up-to-date and clean. A full remodelling may be necessary every seven years.
10. **Not following or defining objective, mission and theme**
    Don't make decisions about your operation without keeping your goal or theme in mind. ☐

SBA can help you find a solution to your problem

If you are in trouble, perhaps the most important Small Business Administration service is its counseling program. Both the Active Corps of Executives (ACE) and the Service Corp of Retired Executives (SCORE) assist the Small Business Administration to serve businesses in need of help. "All you have to do is call SBA, and you will be referred to one of the 13,000 SCORE members nationwide. SCORE volunteers man SBA phones and match you with a former or current restaurant operator. The referral as well as the one-on-one counseling are free. SCORE has chapters in every state, usually within your community," says Anita Irick, Public Information Specialist with the Small Business Administration in Washington. "SCORE counselors will voluntarily assist you to identify and solve your business problem."

a course at a college or university. Each field office of the Small Business Administration (SBA) also regularly runs a variety of seminars and workshops. These programs are free and are usually announced two to three months in advance. They cover a wide range of topics from how to develop a business plan to how to control crime.

Undercapitalizing the business. . .

The biggest single problem with a new business is undercapitalization. A restaurant needs cash reserves for both expected and unexpected expenses. It is difficult to predict when they may be needed, whether for a down payment on a much needed piece of equipment or monthly cash flow during an economic downturn. Although your banker, lawyer or accountant is the best judge of how much cash reserves you need, some consultants suggest that operators keep a minimum cash reserve of three months working capital.

It is a good idea to have a contingency plan for how and where you are going to get money should you run into rough times. If an injection of money is what your operation needs, the Small Business Administration will guarantee—up to 90 percent—loans for small businesses. You, however, must find a bank willing to lend you the money, which SBA will then guarantee. To qualify, you must satisfy the same requirements you would for any business loan. A statement of your business plan and intentions, past performance, financial statements, credit worthiness and ability to repay the loan are taken into consideration for SBA-backed loans.

Are you sticking to your objective?. . .

Forgetting to assess what you are trying to do can cause your business to go on an expensive tangent. You can lose track of your theme and expand too far from your main goal. For example, over the years Tom Kershaw of the Hampshire House allowed one floor of his operation to be used for parties and special functions. Space analysis showed that he was utilizing this large floor only 10 to 20 percent of the time. His solution was to get out of the function party business. "By using the space throughout the year, we are increasing sales," he says.

Bert Laacks, operator of The Captain's Table in Deerfield Beach, FL, a 340-seat restaurant with 136 employees and $4 million in sales, defines his mission clearly. This, he claims, has been a secret of his success. "My basic philosophy is that we're in the hospitality business. We're not here to run a classic French restaurant where whether you serve from the left or right is important. What is important is the unquestionable desire to please the customer. That is our focal point." Laacks even goes so far as to send flowers and favorite meals to his loyal customers when they are in the hospital. A testament of his customers' loyalty is that in the 12 years since he began using his own credit card system he has had less than $30 a year in bad debts on annual billings of $1,000,000.

If the controllables—menu, costs, advertising, technical services and management—are not the source of your problem, what can you do?

Become a student of your business. Visit competitors' restaurants regularly, collect menus, travel for new ideas and go to seminars. Associate with other people in the industry and in related fields.

Stay in touch with economic, social and cultural trends that no one can totally plan for, such as the amount of available gasoline which, when down, can make people stay home. The current bestseller *Megatrends* is one useful source of information.

If you must restructure. . ..

Don't be afraid of change. If the present operation needs to be transformed, do it. Tim Ryan, president of Magic Pan, explains how his company changed. "We were a specialty restaurant with a limited menu. People tired of the specialty. Our business had been declining since 1978. Through intensive research begun in 1979, we took the temperature of the entire company." For Magic Pan this meant restating the company's mission. "In our strategic plan, we have moved from a specialty restaurant to a restaurant featuring crepes. Now our focus is on popular European recipes. Magic Pan has added an appetizer section to the menu, entree salads for those who like healthier and lighter foods, pastas, non-crepe entrees, a red meat, a white meat, fish, seafood and European sautes. "From our most recent research we know that 50 percent of our business is crepes, and the other 50 percent is split evenly between loyal crepe customers who just want to try something else and customers who accompany our loyal patrons."

"Right now we have the highest number of first-time visitors than at any time in the last five years. It's taken us 18 months, but today our check averages are up 12 1/2 percent over a year ago," reports Ryan.

"In retrospect," explains Ryan, "we knew we needed to change, but we were too slow. Everything has a life cycle. We just stuck with the creperie too long, not modifying when the money was available."

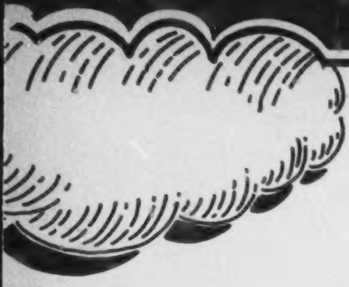
"To stay successful," claims Ryan, "you must convince people you are constantly going to change. We had hired and promoted people because they did their job well, not because they initiated change."

In conclusion. . .

With regular critical analysis, or "check-ups", successful operators can usually identify problems in their business before they spell disaster. ☐

HOW TO BAIL OUT WHEN THE GOING GETS ROUGH

by
Carol Caprione



You've got to know when to hold
them,
Know when to fold them,
Know when to walk away
And know when to run."
—"The Gambler"
Donald Alan Schlitz, Jr.

Getting out of the restaurant business is not a happy subject to consider. However, there may come a time when, it's advantageous to know how to bail out gracefully with as little financial loss and personal grief as possible.

Simply said, there is no easy, painless way out. Nor is there advice that applies across-the-board. But former operators, legal experts, commercial brokers, consultants and academicians agree that there are some tell tale signs.

You know it isn't going to work when...

One of the most detrimental things a restaurant owner can do is to try to hold on to an operation long after the feasibility of success is over. This drains an operator financially and emotionally.

"If a person is really close to his business, he should know well before he starts losing money that he is not getting the best return on his investment," suggests Robert L. Suttie, division vice president and controller, Jack in the Box, headquartered in San Diego, CA. "The return is not always monetary in nature. It may be joy, satisfaction or social advancement. It boils down to the question, 'Is the business really worth the long hours I have to spend? If not, where else could I invest my resources and get the same or greater satisfaction?' This mental evaluation is a process that one should go through periodically and not wait until the bottom line goes red."

Barbara Witt, former owner of The Big Cheese in Washington, DC, and later in Baltimore, MD, admonishes troubled restaurateurs to "Get into an action-mode fast. At the first sign of significant cover count drop, start planning for the worst. Pull out every creative management idea at your command and keep praying."

Other interviewees suggested it is time to bail out when

- you can't pay the bills
- the better staff members quit and can't be replaced
- suppliers demand payment COD (cash on delivery)
- it's difficult to get up in the morning and drag yourself to work
- the stress and strain of the business is costing you your health
- you and your partners have a serious conflict of interests
- there is a show of no confidence on the part of investors and the banking and business community or
- the area changes and is now wrong for your product or was wrong from the very beginning.

Preparing to sell...

There are three exit options: selling, easing out slowly or declaring bankruptcy.

To sell—at a profit—is the ideal way to bail out of business. Realistically speaking, it's very rare. The profit, if any, is usually small.

How do you go about selling a business? First of all, you spread the word to your friends, your contacts and your customers. You advertise in trade magazines and local newspapers. And you keep in close and constant touch with your lawyer, your accountant and your business broker—someone who can negotiate the sale of your establishment.

Nelvin Banner, president of Banner Business Brokers, Inc. in Bethesda, MD, suggests you prepare to sell by

1. making sure your business lease can be assigned to a new party
2. cleaning your establishment so it looks its best
3. seeking an attorney to make sure all legal matters are in order and
4. collecting all financial information to justify your asking price, including tax returns for the past three years.

Forming a partnership...

A gradual way to bail out of business is to enter into a partnership with the eventual intention of easing out completely. A partnership will probably not yield as much profit as selling, but, on the other hand, it may prevent the necessity of filing for bankruptcy.

Charlotte Taylor, president of CTA, a management group, in Washington, DC, and author of a monthly column in *Working Woman* magazine entitled "Can This Business Be Saved?" says that a partner can be either a cash investor (for the owner who wants to continue running the business but needs money) or an operating manager (for the owner who no longer wants to be physically present at the establishment).

"A partner may help solve some problems," says Taylor. "Since the original owner is still liable for his or her portion of the business, however, forming a partnership can be a very sensitive route out. The wrong partner may do more harm than good and may contribute to a fast downfall of the establishment." Sometimes a poorly-established partnership is the reason an operator considers bailing out.

Before entering into a partnership, Taylor suggests you

- analyze your situation to ascertain where you are weak, what you want from a partner and what you are willing to give up
- look for a partner that has the same philosophy of business that you do concerning such things as quality, service, cleanliness and business image
- decide on the division of operational responsibilities: what roles and responsibilities each partner will have in the business and who has the prime decision making authority on each issue. In some cases, such as those concerning money or the use of money, joint decisions will be necessary.
- negotiate how profits will be divided according to who is bringing what into the business and how it will be valued and
- seek a lawyer to draw up a partnership agreement that will spell out the above issues and include an exit clause.

Declaring bankruptcy...

The bleakest alternative to bailing out is bankruptcy. Bankruptcy is a legal process by which an individual, a partnership or a corporation with excessive debt can petition a bankruptcy court for a discharge of certain financial obligations. (For a more extensive discussion of bankruptcy, see accompanying sidebar.)

Understanding bankruptcy

Bankruptcy is a legal process by which an individual, partnership or corporation with excessive debts can petition a bankruptcy court for a discharge of certain financial obligations. The three basic categories of bankruptcy are

(1) straight liquidation, in which the debtor's assets are collected and distributed to creditors according to a priority system established by statute

(2) reorganization, in which a corporation may continue in operation while working out ways to pay its debts and

(3) adjustment of debt, in which an individual or sole proprietor of a business can develop a payment plan.

Bankruptcy may be entered into voluntarily by the debtor. However, the debtor may also be forced into bankruptcy if enough creditors file an involuntary petition. Once a petition of either type is filed, all other judicial or administrative actions against the debtor are suspended, allowing a business more time to attempt reorganization or to pay off debts. In addition, utility companies are barred from cutting off services for charges incurred prior to the filing of the petition.

In straight liquidation, the creditors elect a "trustee," whose duty is to marshal the debtor's assets, overturn any transaction that jeopardizes creditors' rights (such as the debtor hiding assets or trying to deceive creditors) and distribute remaining assets to the creditors. The debtor must submit to a meeting of creditors where he/she may be quizzed, under oath, about the financial condition of the business.

Secured creditors (those who have a security interest or collateral for their extension of credit) will be paid first. Among unsecured creditors, assets will be distributed to pay administrative expenses of the bankruptcy, wages and salaries of employees, fringe benefits, federal and state taxes and then all other unsecured debts, in that general order.

Debtors are allowed to retain a certain portion of real or personal property, automobiles, household furnishings and professional tools or equipment.

—Robert Palmer

It is time to consider bankruptcy when you are receiving pressure from taxing authorities and banks and when suppliers will only deliver goods cash on delivery (C.O.D.) "When a business is being sued, an operator can't afford to go defending all these suits and spending all his time in court," advises Richard H. Gins of Greenbaum and Gins, Washington, DC. He adds that other variables to consider are the structure of the business, the value of the location, the economic climate, a thorough evaluation of the numbers and the physical and mental equilibrium of the operator. "However every business is different," cautions Gins.

Former restauratuer Barbara Witt says there are times when it's a good idea to close. "My best advice to others," she says, "is resist trying to prove to yourself that you can awaken a comatose business by sheer force of will."

If you are considering bankruptcy to liquidate your business, do consult a lawyer. A bankruptcy lawyer can examine the value of your restaurant and your gross receipts against your debts and expenses to see if there are any funds that can be generated to pay creditors. An accountant can also be helpful to determine if you are personally liable for any of the taxes in the business.

Although declaring bankruptcy can be an end to financial struggles, it can make it difficult for a restaurateur to own another business. Credit may be be more difficult to secure after filing for bankruptcy. The emotional toll of going bankrupt can also be very high, adds Charlotte Taylor. "You need to weigh the downhill and uphill side of reneging on your personal reputation."

Bailing out doesn't have to be forever...

Closing the doors on one operation doesn't mean that you can't open them on another. Bankruptcy may shake the confidence of investors, but things can be better the second time around for you can avoid past mistakes.

Doris Ohannisian, owner of the Omelette Factory in Fresno, CA, has just placed her restaurant on the market. "The area is wrong for my product. It's like trying to sells Rolls Royces in a farming community," she says. When her establishment sells, Ohannisian plans to open an Armenian restaurant about 10 miles away from her present location. Fresno has one of the largest Armenian communities in the United States.

Bob Suttie of Jack in the Box—a chain which divested 232 stores during 1979-82—advises that a person has to look beyond the immediate result of closing an operation, which might entail embarrassment or a blow to the ego and look to the future. "Yes, there is a short-term painful experience that one has to go through but, in the long term, it's much better for the individual. It's better to make a decision today and experience a small hurt than to wait for the future and experience a much worse calamity."

Bailing out of a losing operation is more often a sign of strength than of weakness no matter how it might first appear. ❑

WHY DINING CLUBS ARE NOT FOR EVERYONE

An article in the August 1983 issue of the NRA NEWS discussed the advantages of dining clubs. This piece takes a second look at the topic—presenting some reasons why dining clubs are not always a good idea.

By Sylvia Rivchun

The Blue Horse Restaurant in St. Paul, MN, is an atmosphere restaurant of 140 seats. The menu is continental, with 40 items for lunch and 50 items for dinner, plus daily specials. The restaurant has a large, regular clientele of expense account customers and corporate executives, many of whom have house accounts and spend 40 to 50 dollars per person per meal. These are not the kind of customers who use coupons says general manager John Whirling. That is why the Blue Horse Restaurant says "no" to dining clubs and coupon books. "They are just not our style. They have a place in the marketplace but that place is not here at the Blue Horse. If a business executive is spending $50 for a dinner, he doesn't want to be seated next to someone flipping out a coupon," maintains Whirling.

Coupons are synonymous with discounts and bargains. Many operators of upscale establishments agree that this is not an image that is consistent with their operations. Most of their customers are less concerned with price than they are with quality, service and personal attention. "We buy choice products. We are an A-1 operation. A great deal of time and effort went into design of our operation. Discounts don't fit. It's demeaning when you have an upscale restaurant marketed with less prestigious establishments," says Bill Naegle, president, Naegle Restaurants, St. Louis Park, MN. Naegle learned from experience that the people who used discount coupons to try his operation never came back. Moreover, Neagle reports that few of his coupon customers purchased the extras that can build up a tab. Their orders did not include appetizers, salads, desserts or drinks.

The reason for this, both Naegle and Whirling speculate, is that most coupon customers simply cannot afford to spend the money. "It is more likely that dining clubs will work as advertising and promotional devices for operations where people spend $10 per person for dinner," says Whirling. High traffic restaurants also can benefit, he adds, because they need volume to maintain their type of establishments.

Not a clear-cut decision . . .

Belonging to a dining club is not a clear-cut decision, observes Arnold Hewes, executive vice president of the Minnesota Hospitality Association: "We have members who swear by the clubs and members who swear at them." That is why, Hewes says, the associations—like the NRA and other state associations—do not have an official position on the issue. Restaurateurs are left to decide the appropriateness of dining clubs for themselves.

The key concern, of course, is whether belonging to a dining club is a positive return on investment. Some operators claim that dining club membership is an extraordinarily expensive method of advertising. "Most customers are willing to accept a deal, but will they come back?" asks Jack Kawa, NRA director and vice president of Johnny's Cage, Omaha, NE. Naegle agrees this is the crux of the dilemma about joining or not joining dining clubs. "When food costs are running about 40 percent, two for one coupons get to be a very expensive form of advertising. If you are reaching customers who come back, it's a great deal. If you're not, all you do is incur more costs," he explains. Naegle's participation in a dining club cost his operation about $500,000.

Some restaurateurs believe that an operation is better off seeking alternatives to dining clubs. Many argue for personalized advertising, such as price specials for lead products, and promotions, such as early bird dinners or a wine or food festival. Such efforts,

Some questions to ask before joining a dining club

- What other restaurants are in the club?
- What kind of customer does the club attract? Does the profile of this customer match the profile of my patrons?
- What is the percentage of restaurants in last year's program that are out of business?
- Do I have slow days or times of the day that can benefit from increased traffic?
- Where and how does the club advertise?
- How many books will be printed and sold?
- What is the cost of the coupon book?
- How do I cancel if I don't want to continue?
- Is there a less costly way for me to achieve the same or greater results?

they say, keep the operator in control of his costs.

Other restaurateurs, on the other hand—often owners of family style operations and new establishments—say dining clubs generate valuable visibility and advertising, bringing in new customers and reducing the restaurateur's advertising budget. "If you are sensational, you can get good word-of-mouth advertising by belonging to a club," acknowledges Mike Hearst, NRA director and president, 15th Street Fisheries, Ft. Lauderdale, FL. He also notes that some retirement communities with affluent members hold promise for an attractive club package because these seniors dine out frequently, can recognize quality and will tell their friends about the experience.

You convey an image of what your product is worth . . .

Once the issue of investment has been resolved, the next thing to consider is the image and reputation of the club and the restaurant. Operators of upscale establishments echo the sentiments of Whirling and Naegle. They believe that coupons are more in line with the low to moderately-priced operations. The key question to ask, according to Mike Grisanti, NRA director and president of Casa Grisanti, Inc., Louisville, KY, is, "What am I communicating? Every time you have an exchange with the public you are saying something. If you are a discount restaurant, say it all the time. Why should a customer come back and pay full price if he knows he got it for less? You convey an image to your patrons that that's what your product is worth."

Walter Conti, former NRA chairman and president of Conti Cross Keys Inn, Doylestown, PA, agrees. "If you can afford to take so much off, it means that you are not pricing right. If the price is a fair price to generate a proper business balance, there is no need to discount," he says.

Some restaurateurs also express concern that dining clubs are sometimes considered to be "last-ditch efforts." Thus belonging to a dining club can damage a restaurant's reputation. "A restaurant influences its reputation by the company it keeps," says NRA Treasurer Ted Balestreri, owner of the Sardine Factory, Monterey, CA. "Being in a dining club automatically classifies a restaurant."

It is important to evaluate a dining club's reputation. Some are known for their high standards of screening participants. Others do not have such quality requirements.

When a dining club does not have a good reputation, belonging to the club can have credit repercussions. NRA director Jack Kozlak, owner of Kozlak's Royal Oak Restaurant, Shoreview, MN, and one-time state legislator, reports that suppliers in the Greater Metropolitan Area of Minneapolis/St. Paul often reassess the credit of dining club participants. "In their experience," he points out, "the restaurateur is in trouble and has joined the club as a last resort. To support his observation that marginal operators often join dining clubs, Kozlak reports that last year 26 establishments offering coupons were no longer in business by the end of the discount period.

Drawing on his past experience as a legislator, Kozlak also notes "that giveaways give lawmakers and the public a false impression of industry profitability. This makes it easier to justify taxes and restrictions."

Not a panacea for an ailing operation . . .

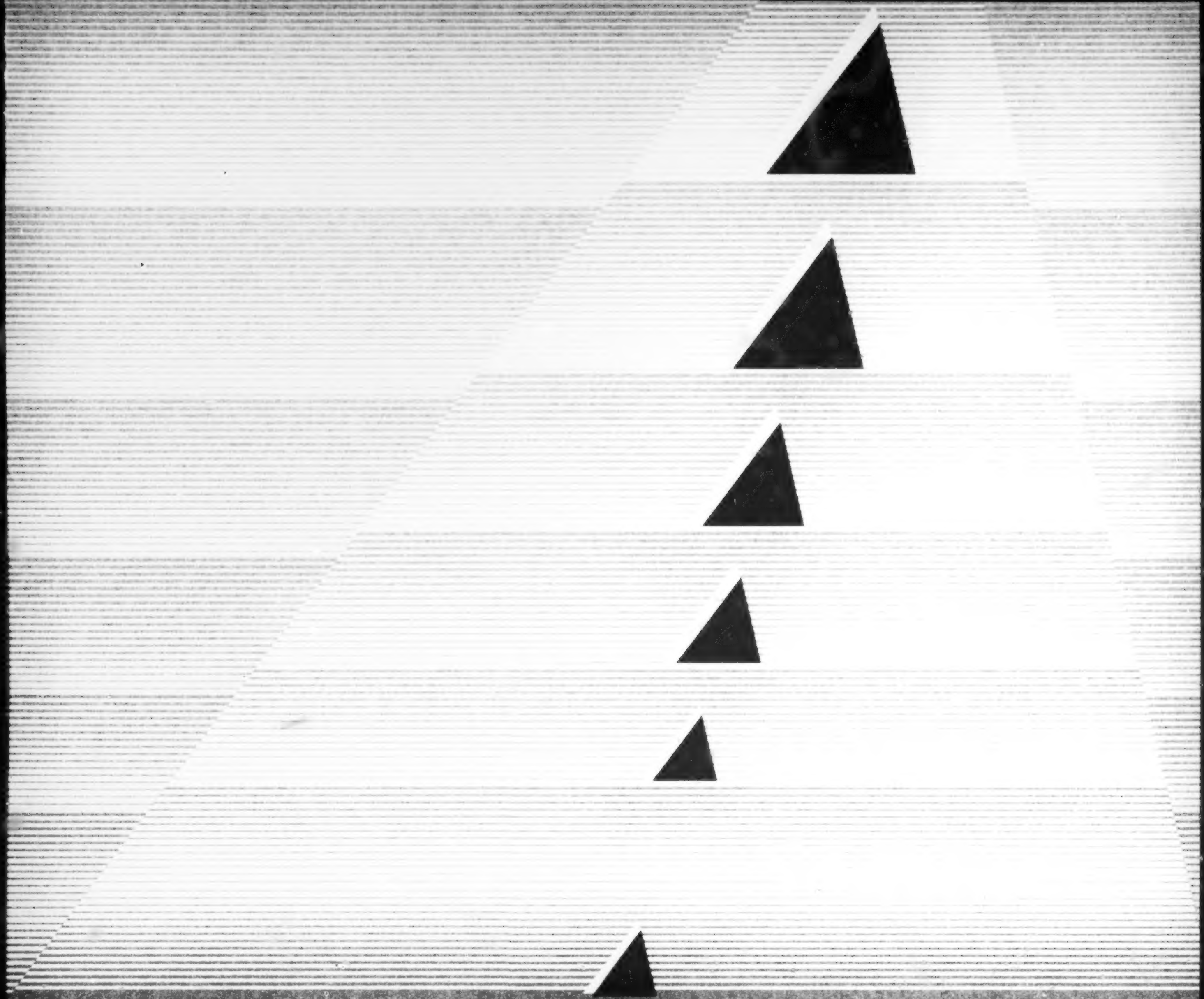
Dining clubs seldom generate business for poorly-run organizations. "If you have a weak concept, the expense of a dining club will expedite your demise," cautions Mike Hearst. "Exposure alone does not build business. Only exposure to quality does that."

A dining club does, however, offer operators the opportunity to fill the restaurant during slow times. If restaurateurs want to use dining club promotions during these times, they must be careful to specify days of the week and hours of applicability, such as evenings from 5:30 to 9:00 on Monday through Thursday. These restrictions have worked extremely well for some operators. Others, however, caution that sometimes people try to use the coupons during peak hours, making it awkward for the operator to turn them away. Still others have experienced that some coupon users expect extras not promised by the coupon, such as after-dinner drinks. Such misunderstanding can create ill will that is not offset by the benefit of visibility. A disappointed customer seldom returns.

In general, operators have no arguments with the integrity of dining clubs. Unlike their predecessors, those in existence today are well-run, above-the-board operations. Few have misrepresented themselves, although some clubs have printed more books than promised and others have sold them for a lesser price than agreed upon. This has made participation more costly than expected for some operators. Restaurateurs who have belonged to dining clubs do advise would-be participants to read the fine print so they understand their obligations and the renewal procedures. One operator was automatically renewed for a second year because he did not inform the dining club—in writing—that he intended to withdraw. He assumed that a verbal cancellation was sufficient.

In sum . . .

No one denies that dining clubs are a great buy for the customer. But are they the way to go for the operator? Restaurateurs are divided on the issue. The key thing to remember is that the methods of advertising and promotion an operator chooses should be consistent with the establishment's image and goals. ☐



JANUARY – JUNE 1984

SEMINARS

SIX MONTH SEMINAR SCHEDULE

NATIONAL RESTAURANT ASSOCIATION

INTRODUCTION

The Education Programs Department of the National Restaurant Association is pleased to present the January–June 1984 seminar and conference schedule. Working with your state associations, which cosponsor most of the seminars, we strive to provide the finest educational programming available to the hospitality industry.

One of our goals in 1984 is to begin offering, in a more systematic format, supplemental training programs to those independent and chain operations who are not large enough to economically provide this type of training on their own. We hope to introduce a core of training courses that can be offered to these companies on an in-house basis. Such courses can be customized to fit the needs of the individual companies, and the cost should be attractive enough to provide real value. If you or your company are interested in this type of programming, please contact Deborah Apoldo, Specialist, Course Development, at our NRA offices.

The extensive continuing education program provided by the NRA is a major service offered by our association, and it is one of the most comprehensive programs offered by any association in the country, both within and outside the industry.

We invite you to look at our six month schedule and let us help you plan your educational program.

Lawrence M. Fidel
Director, Education Programs

Guarantee — If you are not satisfied that the knowledge gained at the seminar is useful and will help you to do a better job, we will give you a full refund of your entire seminar fee. If you should feel the need to request such a refund, please write within 10 days of your course attendance to: Larry Fidel, Education Programs, National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Tax Deductible — Your attendance at this NRA Seminar is tax deductible, according to Treasury Regulation 1.162-5.

	Members of NRA or co-sponsoring state association	Non-members
One-day seminars		
One	$140	$170
Two or more	$125	$155
Two-day seminars		
One	$310	$370
Two or more	$245	$310

NRA SEMINARS BY TOPIC

JANUARY–JUNE 1984

Advanced Labor Cost Management

2/7	New York, NY
4/12	Philadelphia, PA
4/25	Baltimore, MD
5/8	Seattle, WA
5/10	San Francisco, CA
6/12	Dewey Beach, DE

American Regional Cookery

1/25-26	New Orleans, LA
3/6-7	Las Vegas, NV
3/12-13	Boston, MA
6/26-27	Detroit, MI

Banquets and Buffets

1/25-26	Reno, NV
2/28-29	Philadelphia, PA
4/11-12	Tampa, FL
4/17-18	Milwaukee, WI
6/6-7	Los Angeles, CA
6/19-20	Westchester, NY

Basic Purchasing

1/9	Detroit, MI
2/20	Atlanta, GA
4/2	Los Angeles, CA
4/9	Atlantic City, NJ
4/30	Little Rock, AR
5/7	Des Moines, IA
6/20	Chicago, IL
6/25	Boston, MA

Basic Supervision in Foodservice

2/26	Washington, DC
2/28	Denver, CO
3/6	Baltimore, MD
4/3	Chicago, IL
4/17	New Orleans, LA
5/8	Milwaukee, WI
6/12	Los Angeles, CA
6/26	Boston, MA

Computers in Foodservice: A Primer

3/26	Baltimore, MD
5/19	Chicago, IL-NRA Show
6/4	New Orleans, LA
6/18	Kansas City, MO

Computers in Foodservice: Advanced Technologies/ Now That I Have One...

3/27	Baltimore, MD
5/20	Chicago, IL-NRA Show
6/5	New Orleans, LA
6/19	Kansas City, MO

Controlling Food Cost

1/23	Houston, TX
1/24	New Orleans, LA
2/27	Schaumburg, IL
3/5	Burlington, VT
4/16	Kansas City, MO
5/19	Chicago, IL-NRA Show
6/18	Salt Lake City, UT

Creative Merchandising Techniques

1/23	Atlanta, GA
1/24	Miami, FL
3/26	St. Louis, MO
4/9	Atlantic City, NJ
5/9	Wilmington, DE
6/4	Tacoma, WA
6/5	Portland, OR

Dining Room Management

1/16	San Diego, CA
1/17	San Francisco, CA
1/30	Denver, CO
1/31	Phoenix, AZ
2/2	Kansas City, MO
2/15	Louisville, KY
2/16	Milwaukee, WI
2/27	Tampa, FL
2/29	Birmingham, AL
3/7	Omaha, NE
3/26	Allentown, PA
3/28	Cleveland, OH
4/10	Atlantic City, NJ
4/16	Oklahoma City, OK
4/18	Memphis, TN
5/19	Chicago, IL-NRA Show
6/4	Newport, RI
6/13	Washington, DC
6/25	Indianapolis, IN
6/27	Wichita, KS

Kitchen Management

1/16	Portland, OR
1/17	Seattle, WA
1/19	Los Angeles, CA
2/6	Albuquerque, NM
2/8	Wichita, KS
2/15	Washington, DC
3/19	Little Rock, AR
3/26	Knoxville, TN
3/28	Columbia, SC
4/10	Atlantic City, NJ
4/16	Pittsburgh, PA
4/18	Cincinnati, OH
4/30	Boston, MA
5/2	Binghamton, NY
5/20	Chicago, IL-NRA Show
5/29	Ft. Worth, TX
6/11	Minneapolis, MN
6/13	Omaha, NE
6/20	Lancaster, PA
6/25	Billings, MT
6/27	Boise, ID

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

1/16-17	Richmond, VA
3/14-15	Atlanta, GA
4/4-5	New York, NY
5/19-20	Chicago, IL-NRA Show

Menu Development

5/20	Chicago, IL-NRA Show

Motivation: Increasing the Desire to do More and Better Work

1/26	Reno, NV
2/15	Portland, OR
2/27	Portland, ME
4/24	San Francisco, CA
5/2	Minneapolis, MN
5/20	Chicago, IL-NRA Show

Off-Premise Catering

1/23-24	Miami, FL
1/30-31	Boston, MA
3/5-6	Pittsburgh, PA
3/26-27	San Diego, CA
4/9-10	Atlantic City, NJ
4/30-5/1	Las Vegas, NV
5/19-20	Chicago, IL-NRA Show

Opening a Restaurant: Before You Start Cooking...

3/6	Dallas, TX
4/3	Raleigh, NC
4/7	Seattle, WA
4/9	Portland, ME
5/19	Chicago, IL-NRA Show

Operational Analysis

3/6-7	San Francisco, CA
3/27-28	Columbus, OH
5/7-8	Philadelphia, PA
5/19-20	Chicago, IL-NRA Show
6/19-20	Milwaukee, WI

The Pantry: Prep for Profit

4/26	Detroit, MI
5/1	Las Vegas, NV
5/3	San Francisco, CA

Perfecting Your Culinary Skills

3/6	Denver, CO
3/8	Las Vegas, NV
3/13	Columbus, OH
3/15	Indianapolis, IN
4/10	Richmond, VA
4/19	Atlanta, GA

Planning and Implementing Restaurant Marketing Strategy

4/2-3	Hartford, CT
4/25-26	Denver, CO
4/30-5/1	Washington, DC

Principles of Labor Cost Management

2/6	New York, NY
4/11	Philadelphia, PA
4/24	Baltimore, MD
5/7	Seattle, WA
5/9	San Francisco, CA
6/11	Dewey Beach, DE

Restaurant Design & Facilities Planning

5/19-20	Chicago, IL-NRA Show

Simplified Baking Workshop

3/13	Chicago, IL
3/27	Washington, DC
4/4	Exeter, NH
5/8	New York, NY

Soups and Sauces

2/6	Boston, MA
2/8	Philadelphia, PA
6/30	Milwaukee, WI

Train the Trainer

2/17	Spokane, WA
3/12	Salt Lake City, UT
3/13	Oklahoma City, OK
4/26	Los Angeles, CA

Wine: Sales and Merchandising

2/9	Cincinnati, OH
3/8	Philadelphia, PA
4/17	Atlanta, GA
4/19	New Orleans, LA
5/15	Williamsburg, VA
6/11	Denver, CO
6/28	San Diego, CA

NRA CONFERENCES

1/9-12	9th Annual Tableservice Conference Las Vegas, NV
2/19-22	National Conference on Computers in the Foodservice Industry Orlando, FL
3/19-22	2nd Annual Conference on Alcoholic Beverage Service San Francisco, CA

NRA SEMINARS BY STATE JANUARY–JUNE 1984

Alabama

2/29	Dining Room Management	Birmingham

Arizona

1/31	Dining Room Management	Phoenix

Arkansas

3/19	Kitchen Management	Little Rock
4/30	Basic Purchasing	Little Rock

California

1/16	Dining Room Management	San Diego
1/17	Dining Room Management	San Francisco
1/19	Kitchen Management	Los Angeles
3/6-7	Operational Analysis	San Francisco
3/19-22	2nd Annual Conf. on Alcoholic Beverage Service	San Francisco
3/26-27	Off-Premise Catering	San Diego
4/2	Basic Purchasing	Los Angeles
4/24	Motivation: Increasing the Desire to do More and Better Work	San Francisco
4/26	Train the Trainer	Los Angeles
5/3	The Pantry: Prep for Profit	San Francisco
5/9	Principles of Labor Cost Management	San Francisco
5/10	Advanced Labor Cost Management	San Francisco
6/6-7	Banquets and Buffets	Los Angeles
6/12	Basic Supervision in Foodservice	Los Angeles
6/28	Wine: Sales and Merchandising	San Diego

Colorado

1/30	Dining Room Management	Denver
2/28	Basic Supervision in Foodservice	Denver
3/6	Perfecting Your Culinary Skills	Denver
4/25-26	Planning and Implementing Restaurant Marketing Strategy	Denver
6/11	Wine: Sales and Merchandising	Denver

Connecticut

4/2-3	Planning and Implementing Restaurant Marketing Strategy	Hartford

Delaware

5/9	Creative Merchandising Techniques	Wilmington
6/11	Principles of Labor Cost Management	Dewey Beach
6/12	Advanced Labor Cost Management	Dewey Beach

District of Columbia

2/15	Kitchen Management
2/26	Basic Supervision in Foodservice
3/27	Simplified Baking Workshop
4/30-5/1	Planning and Implementing Restaurant Marketing Strategy
6/13	Dining Room Management

Florida

1/23-24	Off-Premise Catering	Miami
1/24	Creative Merchandising Techniques	Miami
2/19-22	National Conference on Computers in the Foodservice Industry	Orlando
2/27	Dining Room Management	Tampa
4/11-12	Banquets and Buffets	Tampa

Georgia

1/23	Creative Merchandising Techniques	Atlanta
2/20	Basic Purchasing	Atlanta
3/14-15	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	Atlanta
4/17	Wine: Sales and Merchandising	Atlanta
4/19	Perfecting Your Culinary Skills	Atlanta

Idaho

6/27	Kitchen Management	Boise

Illinois

2/27	Controlling Food Cost	Schaumburg
3/13	Simplified Baking Workshop	Chicago
4/3	Basic Supervision in Foodservice	Chicago
6/20	Basic Purchasing	Chicago

In addition we will hold the following seminars at the NRA Show in Chicago, May 19-20:

5/19	Opening A Restaurant: Before You Start Cooking…
5/19	Computers in Foodservice: A Primer
5/19	Controlling Food Cost
5/19	Dining Room Management
5/19-20	Off-Premise Catering
5/19-20	Operational Analysis
5/19-20	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operaion
5/19-20	Restaurant Design and Facilities Planning
5/20	Computers in Foodservice: Advanced Technologies/Now That I Have One…
5/20	Menu Development
5/20	Kitchen Management
5/20	Motivation: Increasing the Desire To Do More and Better Work

Indiana

3/15	Perfecting Your Culinary Skills	Indianapolis
6/25	Dining Room Management	Indianapolis

Iowa

5/7	Basic Purchasing	Des Moines

Kansas

2/8	Kitchen Management	Wichita
6/27	Dining Room Management	Wichita

Kentucky

2/15	Dining Room Management	Louisville

Louisiana

1/24	Controlling Food Cost	New Orleans
1/25-26	American Regional Cookery	New Orleans
4/17	Basic Supervision in Foodservice	New Orleans
4/19	Wine: Sales and Merchandising	New Orleans
6/4	Computers in Foodservice: A Primer	New Orleans
6/5	Computers in Foodservice: Advanced Technologies/Now That I Have One...	New Orleans

Maine

2/27	Motivation: Increasing the Desire to do More and Better Work	Portland
4/9	Opening A Restaurant: Before You Start Cooking...	Portland

Maryland

3/6	Basic Supervision in Foodservice	Baltimore
3/26	Computers in Foodservice: A Primer	Baltimore
3/27	Computers in Foodservice: Advanced Technologies/Now That I Have One...	Baltimore
4/24	Principles of Labor Cost Management	Baltimore
4/25	Advanced Labor Cost Management	Baltimore

Massachusetts

1/30-31	Off-Premise Catering	Boston
2/6	Soups and Sauces	Boston
3/12-13	American Regional Cookery	Boston
4/30	Kitchen Management	Boston
6/25	Basic Purchasing	Boston
6/26	Basic Supervision in Foodservice	Boston

Michigan

1/9	Basic Purchasing	Detroit
4/26	The Pantry: Prep for Profit	Detroit
6/26-27	American Regional Cookery	Detroit

Minnesota

5/2	Motivation: Increasing the Desire to do More and Better Work	Minneapolis
6/11	Kitchen Management	Minneapolis

Missouri

2/2	Dining Room Management	Kansas City
3/26	Creative Merchandising Techniques	St. Louis
4/16	Controlling Food Cost	Kansas City
6/18	Computers in Foodservice: A Primer	Kansas City
6/19	Computers in Foodservice: Advanced Technologies/Now That I Have One...	Kansas City

Montana

6/25	Kitchen Management	Billings

Nebraska

3/7	Dining Room Management	Omaha
6/13	Kitchen Management	Omaha

Nevada

1/9-12	9th Annual Tableservice Conference	Las Vegas
1/25-26	Banquets and Buffets	Reno
1/26	Motivation: Increasing the Desire to do More and Better Work	Reno
3/6-7	American Regional Cookery	Las Vegas
3/8	Perfecting Your Culinary Skills	Las Vegas
4/30-5/1	Off-Premise Catering	Las Vegas
5/1	The Pantry: Prep for Profit	Las Vegas

New Hampshire

4/4	Simplified Baking Workshop	Exeter

New Jersey

4/9	Basic Purchasing	Atlantic City
4/9	Creative Merchandising Techniques	Atlantic City
4/9-10	Off-Premise Catering	Atlantic City
4/10	Dining Room Management	Atlantic City
4/10	Kitchen Management	Altantic City

New Mexico

2/6	Kitchen Management	Albuquerque

New York

2/6	Principles of Labor Cost Management	New York
2/7	Advanced Labor Cost Management	New York
4/4-5	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	New York
5/2	Kitchen Management	Binghamton
5/8	Simplified Baking Workshop	New York
6/19-20	Banquets and Buffets	Westchester

North Carolina

4/3	Opening A Restaurant: Before You Start Cooking...	Raleigh

Ohio

2/9	Wine: Sales and Merchandising	Cincinnati
3/13	Perfecting Your Culinary Skills	Columbus
3/27-28	Operational Analysis	Columbus
3/28	Dining Room Management	Cleveland
4/18	Kitchen Management	Cincinnati

Oklahoma

3/13	Train the Trainer	Oklahoma City
4/16	Dining Room Management	Oklahoma City

Oregon

1/16	Kitchen Management	Portland
2/15	Motivation: Increasng the Desire to do More and Better Work	Portland
6/5	Creative Merchandising Techniques	Portland

STATE

Pennsylvania

2/8	Soups and Sauces	Philadelphia
2/28-29	Banquets and Buffets	Philadelphia
3/5-6	Off-Premise Catering	Pittsburgh
3/8	Wine: Sales and Merchandising	Philadelphia
3/26	Dining Room Management	Allentown
4/11	Principles of Labor Cost Management	Philadelphia
4/12	Advanced Labor Cost Management	Philadelphia
4/16	Kitchen Management	Pittsburgh
5/7-8	Operational Analysis	Philadelphia
6/20	Kitchen Management	Lancaster

Rhode Island

6/4	Dining Room Management	Newport

South Carolina

3/28	Kitchen Management	Columbia

Tennessee

3/26	Kitchen Management	Knoxville
4/18	Dining Room Management	Memphis

Texas

1/23	Controlling Food Cost	Houston
3/6	Opening A Restaurant: Before You Start Cooking...	Dallas
5/29	Kitchen Management	Ft. Worth

Utah

3/12	Train the Trainer	Salt Lake City
6/18	Controlling Food Cost	Salt Lake City

Vermont

3/5	Controlling Food Cost	Burlington

Virginia

1/16-17	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	Richmond
4/10	Perfecting Your Culinary Skills	Richmond
5/15	Wine: Sales and Merchandising	Williamsburg

Washington

1/17	Kitchen Management	Seattle
2/17	Train the Trainer	Spokane
4/7	Opening A Restaurant: Before You Start Cooking...	Seattle
5/7	Principles of Labor Cost Management	Seattle
5/8	Advanced Labor Cost Management	Seattle
6/4	Creative Merchandising Techniques	Tacoma

Wisconsin

2/16	Dining Room Management	Milwaukee
4/17-18	Banquets and Buffets	Milwaukee
5/8	Basic Supervision in Foodservice	Milwaukee
6/19-20	Operational Analysis	Milwaukee
6/20	Soups and Sauces	Milwaukee

NRA SEMINARS BY DATE

JANUARY–JUNE 1984

January

1/9	Basic Purchasing	Detroit, MI
1/9-12	Ninth Annual Tableservice Conference	Las Vegas, NV
1/16	Dining Room Management	San Diego, CA
1/16	Kitchen Management	Portland, OR
1/16-17	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	Richmond, VA
1/17	Dining Room Management	San Francisco, CA
1/17	Kitchen Management	Seattle, WA
1/19	Kitchen Management	Los Angeles, CA
1/23	Creative Merchandising Techniques	Atlanta, GA
1/23	Controlling Food Cost	Houston, TX
1/23-24	Off-Premise Catering	Miami, FL
1/24	Creative Merchandising Techniques	Miami, FL
1/24	Controlling Food Cost	New Orleans, LA
1/25-26	Banquets and Buffets	Reno, NV
1/25-26	American Regional Cookery	New Orleans
1/26	Motivation: Increasing the Desire to do More and Better Work	Reno, NV
1/30-31	Off-Premise Catering	Boston, MA
1/30	Dining Room Management	Denver, CO
1/31	Dining Room Management	Phoenix, AZ

February

2/2	Dining Room Management	Kansas City, MO
2/6	Kitchen Management	Albuquerque, NM
2/6	Soups and Sauces	Boston, MA
2/6	Principles of Labor Cost Management	New York, NY
2/7	Advanced Labor Cost Management	New York, NY
2/8	Kitchen Management	Wichita, KS
2/8	Soups and Sauces	Philadelphia, PA
2/9	Wine: Sales and Merchandising	Cincinnati, OH
2/15	Dining Room Management	Louisville, KY
2/15	Kitchen Management	Washington, DC
2/15	Motivation: Increasing the Desire to do More and Better Work	Portland, OR
2/16	Dining Room Management	Milwaukee, WI
2/17	Train the Trainer	Spokane, WA
2/19-22	National Conference on Computers in the Foodservice Industry	Orlando, FL
2/20	Basic Purchasing	Atlanta, GA
2/26	Basic Supervision in Foodservice	Washington, DC
2/27	Dining Room Management	Tampa, FL
2/27	Controlling Food Cost	Schaumburg, IL
2/27	Motivation: Increasing the Desire to do More and Better Work	Portland, ME
2/28-29	Banquets and Buffets	Philadelphia, PA
2/28	Basic Supervision in Foodservice	Denver, CO
2/29	Dining Room Management	Birmingham, AL

March

3/5	Controlling Food Cost	Burlington, VT
3/5-6	Off-Premise Catering	Pittsburgh, PA
3/6	Perfecting Your Culinary Skills	Denver, CO
3/6	Basic Supervision in Foodservice	Baltimore, MD
3/6	Opening A Restaurant: Before You Start Cooking...	Dallas, TX
3/6-7	American Regional Cookery	Las Vegas, NV
3/6-7	Operational Analysis	San Francisco, CA
3/7	Dining Room Management	Omaha, NE
3/8	Perfecting Your Culinary Skills	Las Vegas, NV

3/8	Wine: Sales and Merchandising	Philadelphia, PA
3/12	Train the Trainer	Salt Lake City, UT
3/12-13	American Regional Cookery	Boston, MA
3/13	Perfecting Your Culinary Skills	Columbus, OH
3/13	Simplified Baking Workshop	Chicago, IL
3/13	Train the Trainer	Oklahoma City, OK
3/14-15	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	Atlanta, GA
3/15	Perfecting Your Culinary Skills	Indianapolis, IN
3/19	Kitchen Management	Little Rock, AR
3/19-22	2nd Annual Conference on Alcoholic Beverage Service	San Francisco, CA
3/26	Dining Room Management	Allentown, PA
3/26	Kitchen Management	Knoxville, TN
3/26	Creative Merchandising Techniques	St. Louis, MO
3/26	Computers in Foodservice: A Primer	Baltimore, MD
3/26-27	Off-Premise Catering	San Diego, CA
3/27	Simplified Baking Workshop	Washington, DC
3/27	Computers in Foodservice: Advanced Technologies/Now That I Have One…	Baltimore, MD
3/27-28	Operational Analysis	Columbus, OH
3/28	Dining Room Management	Cleveland, OH
3/28	Kitchen Management	Columbia, SC

April

4/2	Basic Purchasing	Los Angeles, CA
4/2-3	Planning and Implementing Restaurant Marketing Strategy	Hartford, CT
4/3	Basic Supervision in Foodservice	Chicago, IL
4/3	Opening a Restaurant: Before You Start Cooking…	Raleigh, NC
4/4	Simplified Baking Workshop	Exeter, NH
4/4-5	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	New York, NY
4/7	Opening a Restaurant: Before You Start Cooking…	Seattle, WA
4/9	Creative Merchandising Techniques	Atlantic City, NJ
4/9	Basic Purchasing	Atlantic City, NJ
4/9	Opening a Restaurant: Before You Start Cooking…	Portland, ME
4/9-10	Off-Premise Catering	Atlantic City, NJ
4/10	Dining Room Management	Atlantic City, NJ
4/10	Kitchen Management	Atlantic City, NJ
4/10	Perfecting Your Culinary Skills	Richmond, VA
4/11	Principles of Labor Cost Management	Philadelphia, PA
4/11-12	Banquets and Buffets	Tampa, FL
4/12	Advanced Labor Cost Management	Philadelphia, PA
4/16	Kitchen Management	Pittsburgh, PA
4/16	Controlling Food Cost	Kansas City, MO
4/16	Dining Room Management	Oklahoma City, OK
4/17	Wine: Sales and Merchandising	Atlanta, GA
4/17	Basic Supervision in Foodservice	New Orleans, LA
4/17-18	Banquets and Buffets	Milwaukee, WI
4/18	Dining Room Management	Memphis, TN
4/18	Kitchen Management	Cincinnati, OH
4/19	Perfecting Your Culinary Skills	Atlanta, GA
4/19	Wine: Sales and Merchandising	New Orleans, LA
4/24	Principles of Labor Cost Management	Baltimore, MD
4/24	Motivation: Increasing the Desire to do More and Better Work	San Francisco, CA
4/25	Advanced Labor Cost Management	Baltimore, MD
4/25-26	Planning and Implementing Restaurant Marketing Strategy	Denver, CO
4/26	The Pantry: Prep for Profit	Detroit, MI
4/26	Train the Trainer	Los Angeles, CA
4/30	Basic Purchasing	Little Rock, AR
4/30	Kitchen Management	Boston, MA
4/30-5/1	Off-Premise Catering	Las Vegas, NV
4/30-5/1	Planning and Implementing Restaurant Marketing Strategy	Washington, DC

Registration Please print or type.

Seminar date and location ______________________

Name ______________________

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Title ______________________

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May

5/1	**The Pantry: Prep for Profit**	Las Vegas, NV
5/2	**Motivation: Increasing the Desire to do More and Better Work**	Minneapolis, MN
5/2	**Kitchen Management**	Binghamton, NY
5/3	**The Pantry: Prep for Profit**	San Francisco, CA
5/7	**Principles of Labor Cost Management**	Seattle, WA
5/7	**Basic Purchasing**	Des Moines, IA
5/7-8	**Operational Analysis**	Philadelphia, PA
5/8	**Basic Supervision in Foodservice**	Milwaukee, WI
5/8	**Advanced Labor Cost Management**	Seattle, WA
5/8	**Simplified Baking Workshop**	New York, NY
5/9	**Creative Merchandising Techniques**	Wilmington, DE
5/9	**Principles of Labor Cost Management**	San Francisco, CA
5/10	**Advanced Labor Cost Management**	San Francisco, CA
5/15	**Wine: Sales and Merchandising**	Williamsburg, VA
5/19	**Opening a Restaurant Before You Start Cooking...**	Chicago, IL-Show
5/19	**Computers in Foodservice: A Primer**	Chicago, IL-Show
5/19	**Controlling Food Cost**	Chicago, IL-Show
5/19	**Dining Room Management**	Chicago, IL-Show
5/19-20	**Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation**	Chicago, IL-Show
5/19-20	**Restaurant Design and Facilities Planning**	Chicago, IL-Show
5/19-20	**Off-Premise Catering**	Chicago, IL-Show
5/19-20	**Operational Analysis**	Chicago, IL-Show
5/20	**Computers in Foodservice: Advanced Technologies/Now That I Have One...**	Chicago, IL-Show
5/20	**Menu Development**	Chicago, IL-Show
5/20	**Kitchen Management**	Chicago, IL-Show
5/20	**Motivation: Increasing the Desire to do More and Better Work**	Chicago, IL-Show
5/29	**Kitchen Management**	Ft. Worth, TX

June

6/4	**Dining Room Management**	Newport, RI
6/4	**Creative Merchandising Techniques**	Tacoma, WA
6/4	**Computers in Foodservice: A Primer**	New Orleans, LA
6/5	**Creative Merchandising Techniques**	Portland, OR
6/5	**Computers in Foodservice: Advanced Technologies/Now That I Have One...**	New Orleans, LA
6/6-7	**Banquets and Buffets**	Los Angeles, CA
6/11	**Kitchen Management**	Minneapolis, MN
6/11	**Principles of Labor Cost Management**	Dewey Beach, DE
6/11	**Wine: Sales and Merchandising**	Denver, CO
6/12	**Advanced Labor Cost Management**	Dewey Beach, DE
6/12	**Basic Supervision in Foodservice**	Los Angeles, CA
6/13	**Dining Room Management**	Washington, DC
6/13	**Kitchen Management**	Omaha, NE
6/18	**Computers in Foodservice: A Primer**	Kansas City, MO
6/18	**Controlling Food Cost**	Salt Lake City, UT
6/19	**Computers in Foodservice: Advanced Technologies/Now That I Have One...**	Kansas City, MO
6/19-20	**Banquets and Buffets**	Westchester, NY
6/19-20	**Operational Analysis**	Milwaukee, WI
6/20	**Kitchen Management**	Lancaster, PA
6/20	**Basic Purchasing**	Chicago, IL
6/20	**Soups and Sauces**	Milwaukee, WI
6/25	**Dining Room Management**	Indianapolis, IN
6/25	**Kitchen Management**	Billings, MT
6/25	**Basic Purchasing**	Boston, MA
6/26	**Basic Supervision in Foodservice**	Boston, MA
6/26-27	**American Regional Cookery**	Detroit, MI
6/27	**Dining Room Management**	Wichita, KS
6/27	**Kitchen Management**	Boise, ID
6/28	**Wine: Sales and Merchandising**	San Diego, CA

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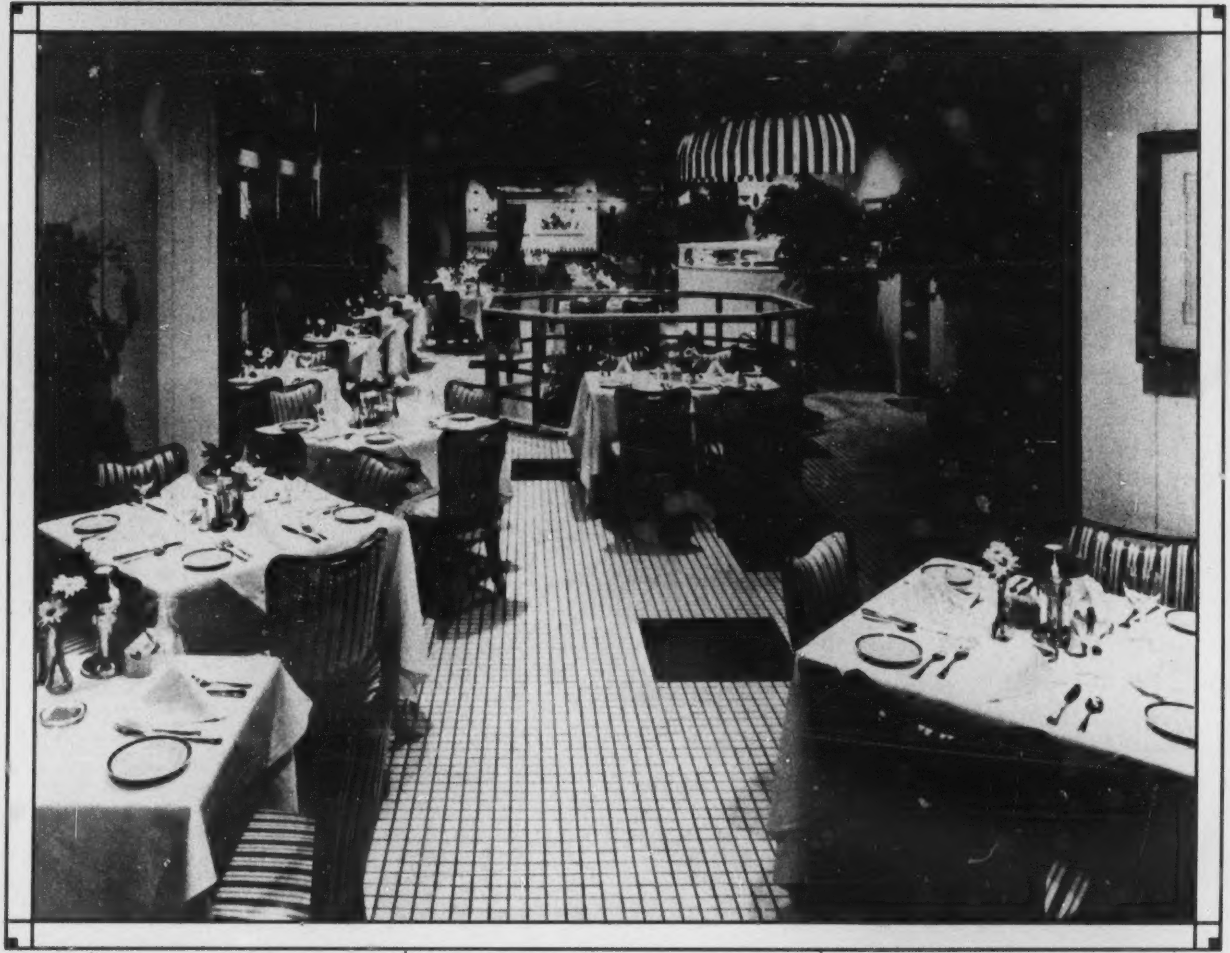


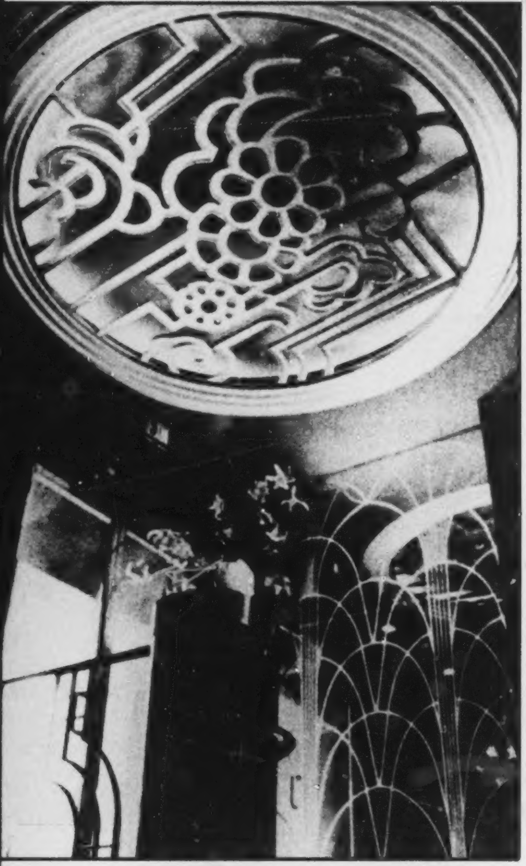
Contrasting black and white details provide the focal point for the art deco atmosphere at the Pleasant Peasant restaurant in Washington, DC, designed by John Oetgen, president of Oetgen Design in Atlanta, GA

by Cecelia Niepold

Chairs, tables, walls and floors are standard components of every restaurant. Add a few focal pieces—an offbeat art deco clock, a restored antique bar or stained glass window—and you've created your own unique atmosphere. More and more operators are getting personally involved in restaurant design in response to patron demand for individualistic atmospheres.

Henry Africa in Alexandria, VA, is an example of a restaurant that underwent some major design changes to offer patrons an environment that emphasizes comfortable elegance. Hector Guimard style French wrought iron gates, brass railings and extensive use of Tiffany influenced stained glass are some of the details Gary Turner, president of GB Decorative Design Company, Inc., in Alexandria, VA, designed and manufactured to create the luxurious art nouveau atmosphere. Rich shades of forest green are complemented by a brightly patterned, custom-designed wallpaper that is based on Louis Sullivan's stencil designs in the Chicago Stock Exchange.

A somewhat different design approach was used by John D. Oetgen, president of Oetgen Design in Atlanta, GA, when planning the Pleasant Peasant restaurant in Washington, DC. Bold colors and sharp lines are juxtaposed with black and white details to give this restaurant a casual but sophisticated, art deco flavor. High ceilings, extra large windows and glazed wall tiles add a dramatic flair and an overall feeling of open space and airiness.



Gary Turner of G.B. Decorative Design created deco artifacts for the interior of the Piccolo Mondo Restaurant in Washingon, DC.

Design trends. . .

These are only two types of design options available today. In general, restaurateurs and the designers they work with are shying away from the "me too" look. They want to make their establishments stand apart from the competition, and they want environments that will last. "Really trendy places have short life expectancies. A trendy restaurant painted purple with silver lines two years ago looks a little tired now," observes Gary Turner. "If you're after a unique interior, one that reflects your own individuality, there is no specific formula."

There are, however, some general trends in restaurant design that can be used as jumping-off points for individual design plans. At one end of the spectrum is decor emphasizing a nostalgic, romantic or sentimental atmosphere. At the other extreme is decor that is starkly functional, with streamlined lines and bold colors. In between are designs like art deco that combine a more streamlined look with design elements reminiscent of a specific period or style and decor that emphasizes the natural look of wood and plants.

John Oetgen has noticed more restaurateurs leaning toward the cleaner, more streamlined look. "Restaurateurs are designing space, rather than just decorating the space," he says. The focus is on clean and simple lines, bold colors and such elements as glass, brick, etched glass and stainless steel.

One important reason for choosing a streamlined design is that it keeps restaurants from being tied to a specific menu. This allows restaurateurs to easily adapt their operation to changes in the marketplace.

"People want to have the option of changing the type of food they offer, and the interior has to be designed to allow changes in food types without causing overall design or atmosphere alterations," says Gary Turner.

Art deco, based on a design movement popular in the 1920s and 1930s, is a type of streamlined decor with exaggerated lines, geometric shapes and a predominance of black and white and strong colors. Restaurants designed in this style not only emphasize materials, such as laminates, glass and mirrors, but they also evoke memories of an earlier time. This is one way to add some nostalgic elements to an otherwise slick look. Other operators add one or two unusual pieces of furniture or architectural antiques, such as a grandfather clock or baby grand piano.

Atmospheres emphasizing nostalgia appeal to young and old patrons because they are fun, observes Bob Rogers, vice president of Development and Construction with Darryl's Division of General Mills. Nostalgic environments generally include reclaimed or restored articles from the past that run the gamut from an old Ford Edsel to a vintage Coca-Cola sign or a turn-of-the-century portrait.

In recent years there has been a movement to specialize in one or two types of antique elements, according to Sheila Ley of Joe Ley Antiques in Louisville, KY—a family-owned business that collects and sells a wide variety of architectural and assorted antiques. "Clients are asking specifically for sports-related antiques, old musical instruments and country-type articles, such as old rakes and farming equipment to use as focal points in their restaurants' nostalgic themes," she says. This specialization helps to set apart one nostalgic restaurant from another.

Environments emphasizing a natural look use rich woods and simple textures. They often feature creative arrangements of plants and fresh flowers. The goal here is to create a warm, comfortable atmosphere. Designers favoring this look are experimenting with new touches as popularity of this decor has increased. Operators realize it now takes more than just green plants, big windows and eye-catching woods to create a unique natural decor. They have added warm colored

PITFALLS TO AVOID
When planning a redesign project

1. **Pay attention to your budget.** You should know exactly how much you want to spend to help you decide what changes you can make. Otherwise, you may get halfway through the design process and realize you haven't budgeted appropriately.
2. **Don't just estimate the costs.** Get written estimates for all structural changes and plans. Get fixed contracts when possible to pin down final costs.
3. **Avoid the shotgun approach.** Decide on a specific

Unable to find a dramatic wallpaper for a large wall area in Henry Africa in Alexandria, VA, G.B. Decorative Design Company, Inc. in Alexandria, VA, designed and applied this handpainted wall mural themselves. The design is definitely the focal point of this room and emphasizes the patterned glass on the back wall, as well as the wrought iron detail throughout the restaurant.

marble and muddy colors, such as mauves, purples and grays, that mix well with wood tones.

When should you change your environment?. . .

When is it time to change your atmosphere or environment? One factor to consider is competition.

"Don't wait until somebody takes the business from you. You have to make a major change periodically to maintain your image," emphasizes Winston (Win) Schuler, chairman of Win Schuler's, Inc. in Marshall, MI. "Every five to seven years completely redo your property," he suggests, "and use your imagination."

"Even if the quality of a restaurant is good, people won't come if it's boring. To be successful over a period of time, a restaurant has to create a certain excitement," says Anthony Ridgway, president of AW Ridgway, Inc. in Naples, FL. If you or your customers seem tired of the same old environment—it may be time to think about a change in atmosphere. "Let your customers know you're doing it for them and get them excited about the changes," suggests John Dankos, former NRA chairman and president of Dankos Enterprises in Richmond, VA.

A logical time to change your design is when you're adding space. This may be the time to consider changing or expanding your entire restaurant's concept to boost sales. Anthony Ridgway decided to add a smaller, more casual restaurant area to his white tablecloth operation in Naples, FL. He added an upstairs dining area—Truffles—and a bakery that provides upscale carryout. These operations balanced the more formal Chef's Garden restaurant downstairs.

design concept. It will probably save you time and money in the long run.

4. **Refrain from making last minute decisions.** Develop a plan and a time frame and stick to it. Every extra day you're closed for remodeling means lost business.
5. **Watch out for creative decors or items that are not practical.** For instance, light bulbs should be easy to change, fabrics should be durable, and furniture must be funcional.
6. **Don't ignore your bathrooms.** Clean and fresh bathrooms are an important component of your restaurant's overall environment--and people expect these areas to be spotless.
7. **Watch out for your competition.** Thoroughly research your market and your competitors before initiating design changes to stay ahead of the crowd.
8. **Avoid using artificial accessories.** Use fresh flowers and live plants.
9. **Pay attention to the small details.** For example, don't put tables too close to draperies or etched glass, which soil easily and are difficult to clean.
10. **Don't forget maintenance.** Restaurants need constant upkeep to stay looking fresh and clean.
11. **Don't be afraid to make design or decor changes.** Analyze the function as well as the design of your restaurant, but above all, don't hesitate to be innovative.

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with industry averages

Restaurant Industry Operations Report '83

With this NRA report you can compare your financial profile with that of similar restaurants. NRA's 1983 ***Operations Report*** provides data on industry operating ratios for income, expenses and profit by type of establishment, sales volume, years in business and region of the country.

Order No. CS935; NRA members $15, non-members $30; 85 + pgs.; 1983.

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Put it in writing

How to Prepare a Restaurant Operations Manual

An operations manual will help both you and your employees take the guesswork out of daily operations. This do-it-yourself handbook provides clear directives for developing an operations manual. Worksheets and forms will help you write and organize the manual. You'll end up with a top-notch manual specifically tailored to the needs of your operation.

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Payment must accompany all orders. Please add $2.00 for shipping and handling for orders under $20. Add 10% of the total cost of items before taxes for orders over $20. Washington, DC. and Illinois residents must add 6% sales tax to their total. Chicago, IL. residents must add additional 1%. Send order information with accompanying check to the National Restaurant Association, 311 First St., NW, Wash., DC 20001.

Credit card telephone orders are accepted. Call (800) 424-5156 or (202) 638-6100.

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Credit card telephone orders are accepted. Call (800) 424-5156 or (202) 638-6100.

What are some of the steps for a successful design or redesign?...

Changing your restaurant's design or atmosphere can seem like an overwhelming task. Mapping out a logical strategy and carefully organizing your approach can make the process more manageable and a lot more efficient. Here are a few steps you may want to consider:

- **Decide what type of atmosphere you would like to create.** One way to do this is to think about your patrons and the type of environment that would make them comfortable—after all they are your top priority. Also, take an objective look at the building itself and ask what type of atmosphere will "fit" the structure.
- **Do a market research study.** See if your concept matches what customers want in your area and what your competition is not offering. The industry is changing so fast that a market study can help you stay on target.
- **Check your building's structure.** Make sure you know exactly what you can and cannot do with the interior. Have an architect or engineer examine the structure to make sure it's sound and that any structural changes you may want to make are feasible.
- **Decide on a budget.** This is an important step. Knowing how much you're willing to spend will help you decide exactly which changes you want to make and which you can afford to carry out. A step-by-step approach can be a workable option. Even small changes one at at time can add up to a major change. "If I had a minimal amount of money, I would clean up, spruce up and not change a great deal. Something about fresh plants, new paint and clean bathrooms can really make a difference," maintains Gary Turner.
- **Carefully plan your overall design.** "To achieve the effect of not overdoing it takes a lot of effort. The more planning and strategy you put into your design at the beginning, the better the end result will be," says Bob Rogers of General Mills.
- **Investigate the zoning laws in your area.** Check the building codes for your area. "If you're in an historical district, make sure you're aware of the building restrictions," advises Gary Turner.
- **Meet with your staff.** Often the staff has constructive suggestions about design changes. "If you're expanding, meet with the chef, maitre d' and bar manager to get some feedback and make sure any new ideas are workable," suggests Theodore Dickens of Henry Africa.
- **Decide if you want to use a designer or work directly with suppliers and contractors.** Designers can know the best, least expensive and most efficient way to go about implementing design changes. But you don't have to turn the project over to them entirely. For example, you can get some expert advice by buying several hours of a designer's time and then do the contracting on your own.

  Another option is to work directly with suppliers who collect and sell artifacts and antiques. Many of these firms can also give you advice.

What to consider before you sign the contract...

If you decide to use a designer, there are several questions you should ask before you sign the contract, suggests Gary Turner.

- Where does the designer buy materials? (You want to insure you are getting quality merchandise.)
- How long has the designer been in the area?
- How much time and effort will be put into the job? Will the designer be around if something goes wrong?
- How has the designer performed in the past? Look at other restaurants the designer has done to make sure you like the style of work. This also gives you a chance to discuss how easy the designer is to work with and how dependable and cost-conscious he or she is. Ask: "Did the designer have the job done on time and within budget?"

In sum...

Don't be afraid to take a chance at creating a new look for your restaurant. After all, you change your menu to stay abreast of the times and to offer new alternatives. The look of your restaurant is just as important because it sets the mood for the dining experience. ❑

STERO RESTAURANT STYLE

by Steve Goldstein, *president, Audio Krafters, Washington, DC*

Several years ago the sound system in Mr. Henry's, a popular Washington, DC, restaurant and bar, broke down in the middle of a busy Saturday night. An hour later, the place was empty. "Customers may not seem to notice the music when it's playing," comments Larry Samuels, manager of the restaurant, "but they sure know when it stops."

Music sets the mood and projects an image to restaurant customers. It is an expression of a restaurant's personality and an indication of the type of patrons who gather there. An establishment that blasts new wave or rock and roll music will attract a very different group of people than one that plays soft classical music or Muzak.

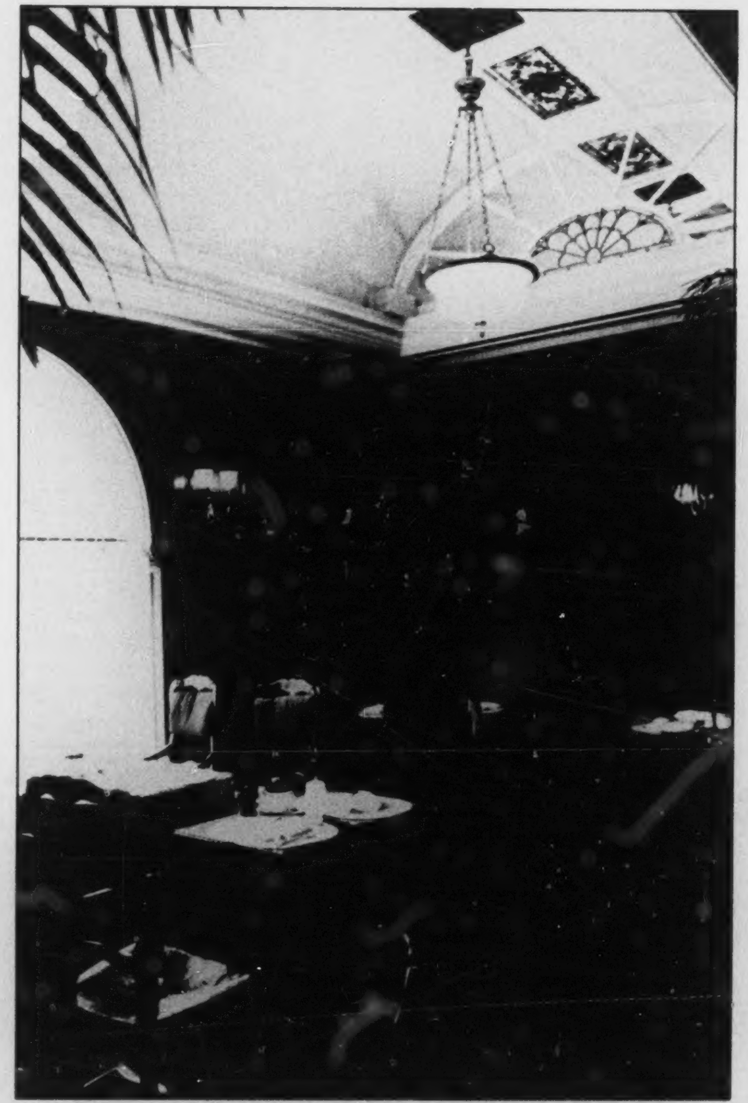
Music combines with decor and menu to create a restaurant's ambiance. Therefore, it is important that your choice of music remains consistent with the atmosphere projected by the other elements. The time taken to select appropriate music pays off in satisfied customers who linger over coffee and dessert or drinks to enjoy the environment that you have created.

Yet even the most carefully selected music will be a disaster if played on a system inadequate for a restaurant's needs. The large spaces and high noise levels in restaurants make the environment an acoustical nightmare. Home stereo systems are simply not built to perform adequately in this setting. To guarantee good sound reproduction, it is important to install high-definition audio equipment specifically designed for commerical use. Acoustical requirements can be balanced with design needs to create a unified environment. Here are some tips to keep in mind when considering a new sound system.

1. **Consider your audio needs during construction.**

   The ideal time to install audio equipment is during construction or renovation. If audio needs are taken into consideration in the planning stages of construction, they can be easily incorporated into the design.

   You can save as much as 30 or 40 percent on installation charges if you take the opportunity to lay wires and decide on equipment placement while other electrical and



Increasing numbers of establishments are hiding their speakers in planters and ceiling cavities or behind grillwork and screens.

design work is being done. If you can't afford to purchase high quality audio equipment at the time of construction, try to at least lay the wires and plan for the equipment in your design.

If your walls and furnishings are already in place, bring back your interior designer to help develop equipment placements in keeping with the existing design.

2. **Select the music before you buy the equipment.**

Before you select audio equipment, decide what type of music you want to play. Will it be new wave music to a Friday night crowd? Or will you be playing quartets during intimate dinners? The music you select is one of the most obvious statements you can make to customers about your restaurant's personality. So choose it carefully. Then consider the most suitable equipment for your needs. Some operators have talked to disc jockeys and radio engineers to find out what people want to hear.

3. **Change the music to fit the mood.**

If your clientele changes as the day wears on, your music should change as well. A busy lunchtime crowd will demand a different atmosphere than diners ready for a leisurely meal. A flexible system with easy-to-change tapes can provide this variety.

If your restaurant has a bar, investigate installing a separate system in this area of your establishment. Many managers have found that a cassette deck works best in the bar to accommodate customer requests and frequent tape changes. The cassettes are changed by the bartender to maintain maximum flexibility to cater to patron preferences. On the other hand, long-running reel–to–reel tapes are often more feasible for busy dining rooms where frequent tape changes are less desirable. These tapes can be operated in the manager's office or in another behind-the-scenes location.

4. **Shop carefully for an audio firm.**

The restaurant environment demands a lot from equipment. Buy the best you can afford from a firm experienced with providing high definition equipment to restaurants. Shop carefully for a company that provides the expertise and service that your business demands.

To design the best possible audio system, your dealer must have a thorough knowledge of acoustics. He must be able to tell you where to place your equipment for the best sound quality and know how to combat acoustical problems presented by large or oddly shaped rooms. Not all audio equipment firms have on-site acousticians. Check to make sure the one you select does. It may mean the difference between a slightly muffled or a crystal sound.

Look for a company that also provides round-the-clock service and on-premise repair capability. It is crucial for your restaurant to have repairs made promptly, no matter what the hour or problem. You simply can't afford to wait until the next business day for on-site adjustments or several weeks for malfunctioning equipment to return from factory repair offices. Regular cleanings are one way to virtually eliminate costly repairs. Make sure your audio firm provides a regular maintenance routine.

5. **Consult an acoustical engineer.**

Just as the strength of a building's framework depends on the decisions of a trained structural engineer, audio equipment requires the knowledge of acoustical engineers to operate to its full potential.

An engineer trained in acoustics should study your restaurant's design and recommend equipment placements for best sound reproduction. The final design is often a result of a give and take between the acoustical engineer and the restaurant staff.

6. **Pay attention to speaker placement.**

An acoustical engineer can advise you on speaker placements based on the idiosyncrasies of your restaurant. While some rooms adapt well to centralized speakers, sound tends to "rumble around" in large rooms, making a series of smaller speakers throughout the space a more feasible option.

Seating arrangements may also dictate speaker placements. If small tables are spread apart for intimate dining, consider placing speakers over sitting spaces in such areas as light fixtures to create a feeling of a private sound system. On the other hand if tables are arranged for more social or family crowds, several strategically placed speakers will probably do the trick.

Where equipment is placed and how it is installed are important to the ambiance that you wish to project. Undisguised equipment creates a high-tech look that is currently popular in many restaurants. However, increasing numbers of establishments are opting for a more subdued look by hiding their speakers in planters and ceiling cavities or behind grillwork and screens. An experienced audio systems designer can camouflage your system without loss of sound quality.

7. **Modulate the volume.**

Your patrons should not have to shout over the music to speak to their companions. At the same time, however, don't turn down the volume so low that it is insufficient to mask private conversations. Strike a happy medium between the two extremes—provide background music that serves as a buffer between conversations at neighboring tables, yet is not so loud as to make speaking a strain. Remember to turn volume down for scattered diners at off-peak hours and up again during hectic mealtimes. Or ask your audio consultant about a music "audiostat" that automatically adjusts volume to the noise level in your room.

8. **Follow a simple maintenance program.**

Look carefully at your service contract when selecting equipment to make certain that cleaning is provided regularly. Equipment should be placed in ventilated enclosures and professionally cleaned every five or six months. If equipment is clean, cool and well-ventilated, it can last as long as 10 years or more. ❑

Editor's note

Remember that playing records and tapes in your restaurant will obligate you to pay royalties to the performing arts societies which represent the composers of the music you play. These societies collect royalties by selling licenses, which vary in cost depending on the size of your establishment. Merely turning on a radio may subject you to a royalty obligation, if you have a larger restaurant and a sophisticated sound system. See the accompanying excerpt from NRA's Legal Problem Solver for Foodservice Operators.

How the COPYRIGHT LAW governs musical entertainment in restaurants

It is important that you know what you may or may not do in providing musical entertainment in your restaurant and how the federal copyright law might weigh upon your decision regarding the use of such entertainment. This article examines the obligations created by the copyright law.

What is in the copyright law. . .

U.S. copyright laws (17 US Code 101, etc.) protect the right of composers and publishers of music by requiring payment of royalties to the writers and publishers each time their music is played in a public performance for profit. The rights created by the law extend over the entire period of the copyright, which is 28 years plus a renewal period of an additional 47 years. Most music and musical records or tapes produced today are copyrighted. They, therefore, enjoy the protection of the copyright law.

Practically, this means that a public performance of a copyrighted musical composition in any dining or refreshment room of a hotel or restaurant without the consent of the owner of that copyright constitutes a "public performance for profit." Lack of intent by the restaurant's proprietor to infringe or his lack of knowledge concerning the program to be played or sung will not excuse him from liability for infringement of the composer's copyright rights.

In the case of recorded music, performance rights are generally held by one of the performing arts societies. These groups, in effect, serve as agents for those who compose the music. They collect the fees for commercial uses of musical compositions, such as piping recorded versions into a restaurant or hotel lobby. The three most widely-known performing arts societies are The American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music Incorporated (BMI) and Society of European Stage Authors and Composers (SESAC), a group representing non-American compositions that are distributed largely in the U.S. Other such groups may exist, but these three dominate the field.

Performing arts societies offer contracts. . .

These societies do not attempt to police their legal right to a royalty when their selections are played for profit on a song-by-song basis. Instead they choose to negotiate contracts with restaurateurs and others who will use all of their works or make selections from them. Such contracts permit the operator to use all the works owned by the one performing arts society. While these contracts, in reality, are private agreements subject to no legal requirements as to minimum fees, a natural pattern has emerged based primarily on the size of the commercial operation wanting to use the music.

The real problem for restaurateurs is that unless they are selective about the ownership of the music they choose to play, they can become liable to all three societies. If you use the societies' music, you must pay for it—whether or not you have a contract with them. They have a right to bring suit. Generally, they waive that right in return for a contract. So you face the danger of having to pay three separate fees in addition to whatever royalties you pay for the records that are played. By being careful, you can limit your obligations. If you confine yourself to playing recorded music for which the performance rights are all owned by the same performing rights society, you become liable to that organization only.

How do you tell if this is so? When you buy a record, look for the copyright owner on the label and record jacket. Be thorough. Not every selection on an album will necessarily be owned by one of the performing rights societies. However, you can select the songs you want and discard the others.

After selecting the copyrighted songs you want, you can simply tape-record them and play them as you wish. You will then be liable only to the performing arts society that owns those songs.

There is another way to resolve the copyright problem. It can be more expensive, however. In most major cities, musical systems are available that provide background music through the use of FM and similar equipment. Supermarkets have made extensive use of these systems. The music is specifically programmed, and the contractor providing the music usually negotiates directly with the performing rights societies. In such a case the user would pay a fee to the contractor but incurs no possible liability to the performing rights societies. Perhaps the most widely known among such systems is MUZAK, but there are others.

Two exceptions to the copyright law. . .

There are two ways by which restaurateurs can avoid payment of royalty fees to performing arts societies and still use copyrighted music in their restaurants.

1. Music from jukeboxes

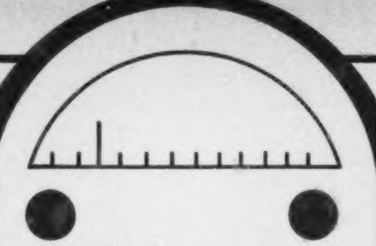
The playing of a musical composition by coin-operated machines is not considered a public performance for profit unless an admission fee is charged. In a word, coin-operated jukeboxes in restaurants are exempt from the copyright laws, and operators incur no liability to composers and recording artists if they install jukeboxes to provide entertainment. This exception becomes void if the restaurant proprietor is the owner of the machine or if he refuses, on request, to disclose the identity of the owner. The jukebox owner must register the machine with the registrar of copyrights and pay a royalty fee of $8.00 a year.

2. Rebroadcasts of radio music

On June 17, 1975, the United States Supreme Court held in the case of *Twentieth Century Music Corporation et al v. Aiken*, 422 U.S. 151, that certain small restaurant owners could, without paying a copyright fee, rebroadcast copyrighted music received on an ordinary "home" radio and amplified by loudspeakers placed throughout the restaurant. This decision to permit rebroadcasts of radio music does not apply to all restaurants. It is applicable only to the Aiken's type of restaurant or a similar one. For that reason, let us examine the facts in the Aiken case.

The facts in the Aiken case. . .

The Aiken case involved a fast food establishment in downtown Pittsburgh, PA, that sold food for consumption on and off the premises. Normal, over-the-air radio broadcasts were heard by patrons and employees of the restaurant because the owner connected a single radio tuner to five loudspeakers. It was Aiken's practice to switch on the radio at the beginning of each business day, thus having regular radio broadcasts audible in the restaurant during business hours.



Restaurateurs face the danger of having to pay three separate copyright fees.

On March 11, 1972, Aiken's radio was tuned to station WKJF-FM Pittsburgh at the time that two musical compositions, "The More I See You" and "Me and My Shadow," were heard by at least six patrons in the restaurant. WKJF-FM broadcasts with a license issued by ASCAP.

On June 2, 1972, the owners of the copyright to "The More I See You" and "Me and My Shadow" complained to the District Court for the Western District of Pennsylvania that by tuning in and amplifying WKJF-FM's performance of the two musical compositions, Aiken had publicly performed those works for profit; thus violating their rights of copyright. They requested that Aiken be stopped from continuing such conduct, and they asked for damages for violation of their respective copyrights.

The U.S. Supreme Court decided this case in favor of Aiken, the restaurateur.

First, it held that one who manually or by human agency (in this case a radio and loudspeakers) merely actuates electrical instrumentalities that make elements that are already in the air audible to persons within hearing does not "perform" within the meaning of the copyright law. In other words, the radio station performed the copyright items publicly for profit when it broadcast the copyrighted songs. By merely listening to the broadcast, Aiken's restaurant and its customers and employees had no such public performance for profit. As the Court put it, "those who listen do not perform, and therefore do not infringe."

Second, the Court held that to rule the contrary would result in a regime of the copyright law that would be both wholly unenforceable and highly inequitable. On this point the Court stated:

> *One has only to consider the countless business establishments in this country with radio and television sets on their premises--bars and beauty shops, cafeterias and car washes, dentists' offices and drive-ins--to realize the total futility of an even-handed effort on the part of copyright holders to license even a substantial percentage of them.*
>
> *...A ruling that a radio listener performs every broadcast that he receives would be highly inequitable for two distinct reasons. First, a person in Aiken's position would have no sure way of protecting himself from liability of copyright infringement except by keeping his radio set turned off. Even if he secured a license from ASCAP, he would have no way of either foreseeing or controlling the broadcasts of musicians whose copyright was held by someone else. Secondly, to hold that all in Aiken's position perform these musical compositions would be to authorize the sale of an untold number of licenses for what is basically a single public rendition of a copyrighted work. The exaction of such multiple tribute would go far beyond what is required for the economic protection of the copyright owners, and would be wholly at odds with the balanced congressional purpose behind the Copyright Act of assuring the composer of adequate return for the value of his composition while at the same time protecting the public from oppressive monopolies.*

Do the new copyright laws overrule the Aiken case?. . .

In 1976 Congress passed a massive rewrite of the federal copyright laws. With regard to the playing of radio music in restaurants, the law concerning jukeboxes remains unchanged and the rewrite was seemingly not intended to change the ruling in the Aiken case.

In fact, the House and Senate conference report on the copyright bill clearly indicated that Congress intended no change. Here is a verbatim statement of the congressional intent:

> *It is the intent of the conferees that a small commercial establishment of the type involved in Twentieth Century Music Corporation et al v. Aiken, 422 U.S. 151 (1975), which merely augmented a home-type receiver and which was not of sufficient size to justify as a practical*

> *matter a subscription to the commercial background music service, would be exempt.*

It should be noted that the conference report referred quite specifically to a small commercial establishment of the type involved in the Aiken case.

In spite of Congress' intent in passing Section 110(5) of the new copyright law, some of the copyright licensing companies are approaching restaurant owners to pay copyright fees if they use radios for background music.

This position does not appear to be supported by the law or legislative history. If your restaurant is similar to Aiken's and you use a home-type radio for the background enjoyment of your customers, it would appear that you need not pay ASCAP or any similar company a copyright fee.

Court tests of the new law...

Since ASCAP and BMI have taken positions directly opposing the expressed intent of Congress, it was inevitable that the issue would become the subject of federal court litigation. That finally occurred when ASCAP sued a restaurant company call Cal's, Inc. in the Federal District Court of Chicago, IL. NRA has been substantially involved in assisting in the defense in the Cal's case.

That case, *Leonard Bernstein et. al. v. Cal's, Inc.*, U.S. District Court for the Northern District of Illinois, Eastern Division, No. 79C17, involved a company that owned three Aiken-type fast food restaurants. Each restaurant had a radio receiver connected to four ceiling-mounted speakers located in the public area of the restaurant, which contained approximately 1,000 square feet of space. The receiver was turned on when the stores opened, and musical compositions, together with commercial advertising, were broadcast during all open hours of the restaurants. The question presented to the court was whether Cal's conduct constituted an infringement of the plaintiff's copyrights under the Copyright Act of 1976.

In a memorandum order issued by the court on August 27, 1980, the presiding judge held

> *...we hold as a matter of law that under the facts presented, the transmission received by defendant on its several receivers is not further transmitted to the public by the speakers which are attached to the receiver and located in a room other than the receiver.*

ASCAP and BMI have taken positions directly opposing the expressed intent of Congress.

In other words, the judge held that using a home-type radio with loudspeakers in an Aiken-type restaurant was not a violation of copyright law.

The court than went on to say that it needed further hearings to determine whether or not the radios and loudspeaker equipment used at Cal's restaurants were, indeed, "home-type" equipment. While the court was in the process of setting up and conducting these additional hearings, Cal's, Inc., went into bankruptcy. Immediately ASCAP requested that the case be dismissed. The judge granted the request before a final, complete decision was rendered.

While Cal's case was being litigated in Chicago, two other cases were being tried that involved the same issue in two other federal district courts. In both cases, described below, the retail-type establishment concerned was held to be in violation of copyright law.

Sailor Music etc. v. The GAP Stores, Inc., U.S. District Court, Southern District of New York CIV0059, February 3, 1981.

In this case GAP, operating approximately 420 clothing stores, was charged with copyright violations in their stores. GAP used radio receivers connected to recessed loudspeakers to play radio programs for the enjoyment of their customers. The average size of all GAP stores was 3,500 square feet.

The Court found that GAP was in violation of the copyright law. The Court in its decision compared the GAP facts with the facts in the Aiken case. It first noted that the average size of the GAP stores was 3,500 square feet as compared to the 1,055 square feet in the Aiken case. Second, the court found that the stereo apparatus, including built-in wiring and four to seven loudspeakers recessed in the ceiling, converted "home-type" equipment into a sophisticated commercial sound system. The court concluded that the GAP stores were not small commercial establishments whose reception and performances of radio transmission were intended by Congress to be exempt under Section 110(5) of the copyright law. The case was appealed.

Broadcast Music v. The United States Shoe Corp., as Casual Corner etc., U.S. District Court, Central District of California N079 1936 DWW, January 27, 1981.

In this case BMI, Inc., brought suit against U.S. Shoe Corp.'s Casual Corner stores for violation of the copyright law. The court found that in each of the stores musical compositions were performed by receiving radio broadcasts on a commercial Bogen monaural receiver which were transmitted and made audible by recessed ceiling loudspeakers. The Court held that this equipment was not of a kind commonly used in private homes. The Court, therefore, found that Casual Corner stores were in violation of Section 110(5) of the copyright law because (1) they were not small commercial establishments and (2) they did not use apparatus of a type commonly used in private homes but instead used a commercial sound system. This decision was also appealed.

Where are we now?...

Federal circuit courts of appeals have affirmed the lower court decisions in the GAP case and the U.S. Shoe case. Both have implied that had the companies used home-type equipment in an Aiken-type restaurant situation, then the Aiken decision would have prevailed.

NRA has been advised that ASCAP, BMI and SESAC agents are now showing copies of the GAP and Casual Corner cases to support their demand that all restaurants using home-type radios and loudspeakers pay licensing fees. If you are an Aiken-type restaurant, you may wish to have copies of the Cal's memorandum order and the GAP and U.S. Shoe appeals decisions to show the agent while you are discussing your potential liability. Copies may be obtained from NRA's legal office in Washington, DC. ❑

EXCLUSIVE SURVEY

FOODSERVICE TRENDS

Americans show healthy preference for nutritional foods

An exclusive NRA/Gallup survey reveals that four out of 10 consumers are ordering more nutritious foods away from home.

Restaurants are noticing increased patron interest in nutrition. This is not a misconception.

A recent Gallup survey commissioned by the NRA shows that individuals have really moved toward eating more nutritious foods. Respondents were asked if they have increased the amount of fruits, vegetables or whole grains they eat both at home and in restaurants and if they have cut back on refined sugar, animal fats or salt. Consumers who reported modifying their eating habits when dining out were also asked to specifically name the major changes they have made when ordering in restaurants.

This article summarizes the results of this exclusive Gallup poll to give operators a broader view of the ongoing consumer interest in nutrition and to help them plan their menus to meet these changing needs.

Many consumers have changed their diets at home...

According to the Gallup poll, a substantial number of people say they have actually changed their eating habits at home. Six out of 10 respondents reported either increasing their consumption of fruits, vegetables or whole grains or decreasing their consumption of refined sugar, animal fats or salt. Less than half the consumers—40 percent—said they had not changed their eating habits at home.

A significantly larger proportion of women—67 percent—said they have made nutritious changes in their eating habits at home, compared with a smaller 53 percent of the male respondents. Consumers 25 years and older appear to have made more conscious changes in their eating patterns than younger respondents. A substantial 62 percent of the individuals over 24 years old reported changing their diets at home, versus 48 percent of the younger consumers. Also, adults in upper socio-economic groups were more likely to have changed their eating habits. Seven out of 10 college graduates and 67 percent of the respondents earning at least $30,000 reported eating more nutritious meals at home.

Four out of 10 consumers have changed eating habits when dining out...

Many consumers say they have also changed their eating habits when dining in restaurants. A remarkable four out of 10 individuals surveyed said they are ordering more nutritious foods when eating away from home.

Not surprisingly, those who had made changes in their diets at home were also more likely to have changed their eating habits when dining out. More than six out of 10 consumers who said they were eating more nutritiously at home also reported changing their diets when eating away from home. This compares with only seven percent of the adults who had not changed their eating habits at home, but reported eating more nutritious foods when dining out.

Overall, the same demographic groups who reported improving their eating habits at home also indicated they are ordering more nutritious meals when they eat out. For instance, 44 percent of the women surveyed said they have improved the nutritional content of the meals they eat in restaurants, compared with a smaller 35 percent of the male respondents. More than four out of 10 consumers aged 25 years old and over reported better eating habits in restaurants, versus only 30 percent of the 18 to 24-year-old group. Almost half the college graduates and individuals earning more than $30,000 per year also said they were eating more nutritiously away from home.

Although few differences were reported between working and non-working women's eating habits at home, those female respondents who work said they are more likely to order nutritious foods when dining in a restaurant. More than half the women employed full-time said they had changed their eating habits when dining away from home. This compares with 42 percent of those women who work part-time and 38 percent of the non-working women. Since working women dine in restaurants more frequently than non-employed women (see September issue of ***NRA NEWS***), they are likely to be more conscious of eating nutritiously when they eat away from home.

Consumers name specific changes in ordering. . .

To give restaurateurs a better idea of the ways consumers are changing their eating habits in restaurants, respondents who said they have altered their away from home eating patterns were also asked to name the specific nutritional changes they have made. Focusing on these particular changes should help operators more effectively satisfy their customers' preferences for healthy foods.

Using less salt is a major concern for many consumers and was the top dietary adjustment named by respondents. One in four of those who changed their away from home eating habits said they have cut back on salt when dining away from home. Consumers' concern with eating less salt and ordering low-salt meals is not only widespread, it's growing quickly. According to the August issue of the Gallup *Monthly Report on Eating Out*, almost four in 10 adults—36 percent—said they were very likely to order low-salt meals. This compares with a smaller 30 percent who said they would order low-salt entrees one year earlier. Although low-salt meals appeal to all age groups, senior citizens are particularly interested in being able to order a low-salt entree. Half the respondents 65 years and older indicated they would order a low-salt meal.

Consumers are also interested in reducing their sugar intake and eating low-calorie entrees. One in five patrons reported watching out for sugar or substituting artificial sweeteners. Although only two percent of the respondents indicated they were specifically cutting back calories as a way of changing their eating habits, many customers are interested in having the opportunity to order low-calorie meals. As mentioned in the August issue of the Gallup *Monthly Report on Eating Out*, one in three respondents reported they were very likely to order low-calorie meals in 1983, up from 24 percent one year earlier. Low-calorie entrees are a particular concern to women, with 42 percent expressing strong interest in ordering this type of meal, compared with only 18 percent of the men.

Major changes consumers have made when ordering at restaurants

Change	Percentage of respondents changing eating habits
Use less salt/no salt	25%
More fish/seafood	20
Use less sugar/no sugar	20
More vegetables	18
More salads	18
Less fats	16
Less meat	12
More fruits	11
Avoid fried foods	10
More poultry	9
Choose lean meats	9
Avoid starches	8
Less dessert/no dessert	7
More grains	4
Health/natural foods	2
Less calories	2
No soda	1
More meat	1

Source: *The Gallup Monitor of Eating Away from Home,* September 1983—NRA exclusive question

Percentage of respondents reporting changed eating habits

	Changed eating habits at restaurants	Changed eating habits at home
Total	40%	60%
Sex		
Male	35	53
Female	44	67
Age		
18 to 24 years	30	48
25 to 34 years	42	61
35 to 49 years	41	64
50 to 64 years	45	60
65 years and older	39	65
Education		
College graduate	47	69
High school graduate	41	62
Less than high school graduate	27	46
Annual household income		
$30,000 and over	48	67
$20,000 to $29,999	39	61
$15,000 to $19,999	33	60
Under $15,000	42	60
Women's employment status		
Employed full-time	51	69
Employed part-time	42	65
Not employed	38	66

Source: *The Gallup Monthly Monitor of Eating Away from Home,* September 1983—NRA exclusive question

Fish and seafood are popular items for consumers concerned with eating nutritiously—20 percent of the respondents said they were eating more seafood. Ordering salads and vegetables more often was also listed by a large number of respondents—18 percent—as a specific way they were changing their eating habits when dining away from home. Quite a few respondents—16 percent—are eating less fats, and 12 percent have cut back on eating meats. Approximately one in 10 consumers mentioned they are eating more fruits, avoiding fried foods and ordering more poultry. Surprisingly, only seven percent said they were eating less dessert, suggesting that patrons still enjoy indulging in sweets when eating away from home.

In sum: Offering nutritious food is a healthy idea. . .

The preference for nutritious food is a continuing trend restaurateurs may want to consider to ensure customer satisfaction and repeat patronage. If your customers demonstrate this preference, emphasizing the nutritional aspects of your menu may add to your operation's success. You also may want to consider making menu changes, such as adding more broiled or baked foods (particularly seafood and poultry) and a variety of fresh vegetables and salads. ❑

CHICKEN
moves up the pecking order

"A chicken in every pot on Sunday" was one of Herbert Hoover's most effective campaign promises during the depression era. At that time chicken was a luxury item, and to many Americans eating chicken once a week symbolized improved economic conditions and a more affluent lifestyle. Times and lifestyles have changed, and chicken is now a favorite staple of the American diet.

Chicken sales have grown rapidly due to Americans' preferences for lighter and more nutritious foods as well as relatively low and stable chicken prices. The increasing popularity of chicken has had a widespread and continuing effect on the restaurant industry. For instance, the number of restaurants specializing in chicken has grown tremendously—particulary franchise establishments—and more and more restaurants are offering a variety of chicken entrees on their menus.

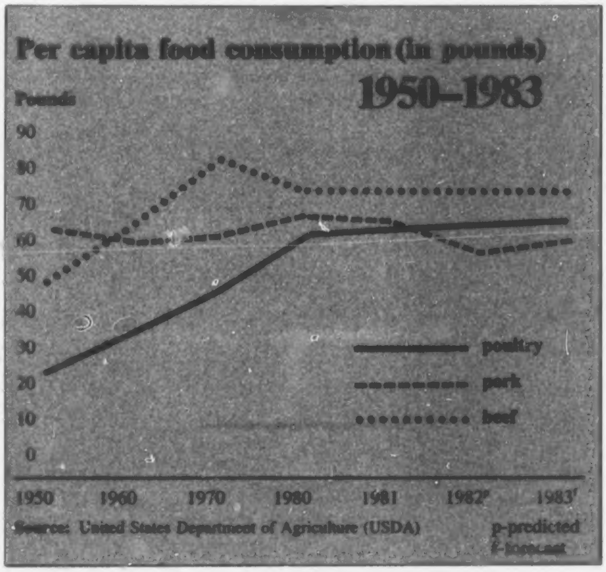
Chicken consumption has skyrocketed...

The consumption trends for chicken and other meats should give restaurateurs a general idea of the rate at which chicken's popularity has increased. Between 1950 and 1983, poultry consumption increased over two and one half times, rising from an average 25 pounds per person in 1950 to a predicted 65 pounds per person in 1983.

Pork consumption has actually decreased slightly—3.7 percent—during this time period and is expected to average 62 pounds per person in 1983. Americans ate less pork than poultry for the first time in 1982; and, according to USDA, that situation should continue through 1983. USDA expects Americans to eat 76 pounds of beef in 1983—up 51.7 percent from 1950. Consumers' love affair with beef has dwindled, however. Beef consumption has declined since 1970's peak of 84 pounds per year.

Chicken prices and supplies should remain fairly stable...

Fairly stable wholesale costs have significantly contributed to the upswing in chicken consumption. For instance, during 1982 wholesale prices for poultry decreased 7.6 percent from the year before. A slight increase in wholesale poultry prices is expected in 1983; prices will range between 44 to 48 cents—up from the average 43 cents per pound during 1982. Next year's prices will be roughly the same. USDA expects poultry prices to average between 47 to 51 cents per pound in 1984, up only slightly from 1983's predicted levels. Increasingly efficient production methods have kept chicken prices at a fairly stable level. Even the drought has not made a significant dent in chicken supplies, which should remain ample throughout 1984 and further contribute to stable poultry prices.


Per capita food consumption (in pounds)
1950–1983

Source: United States Department of Agriculture (USDA) p-predicted f-forecast

Price changes for poultry, beef/veal and pork 1979 through first eight months 1983

	Poultry	Beef/veal	Pork
1979	−2.8%	24.7%	−6.4%
1980	2.5	3.2	−4.0
1981	nc*	−5.0	11.5
1982	−7.6	−0.8	14.0
First eight months 1983	−1.2	−3.8	−3.8

*no change
Source: *Producer Price Index*, Bureau of Labor Statistics

During the first quarter of 1984, USDA expects broiler production to increase about one percent over 1983's level. Reduced supplies of competing meats during the second half of 1984, however, could push broiler production up two to four percent for the year. Since poultry prices and supplies are expected to remain stable, chicken gives restaurateurs the opportunity to offer their customers an entree that is profitable, popular and can hold its price over time.

Chicken—high in nutrition. . .

According to *Restaurants & Institutions'* most recent "Tastes of America" survey, chicken is being ordered more and more frequently. The survey asked consumers to name the entrees they were ordering more often, and in 1981 chicken ranked fifth in terms of the most-frequently ordered entrees. By 1982, however, chicken had jumped into third place. Almost 22 percent of the respondents said they were ordering more chicken. Entree-salads and seafood were ranked one and two, respectively. Fresh vegetables ranked fourth in popularity in 1982.

The growing popularity of these items underscores Americans' desire for more nutritious foods. NRA's recent Gallup survey question which dealt with nutrition and eating out confirmed this trend. For example, it revealed that approximately one out of 10 of those who say they have changed their away-from-home eating habits has opted for more poultry. Thus, restaurateurs can also promote chicken for its nutrition.

Many restaurateurs have already done so. When *Restaurants and Institutions* "1983 Menu Census" asked operators to list the items they had most frequently added to their menus due to increased popularity, chicken easily captured the number one spot. Almost 14 percent of the restaurateurs said they had added chicken entrees to their menus.

What type of chicken are consumers ordering?. . .

Examining consumers' preferences for different types of chicken dishes should help restaurateurs more effectively satisfy their customers' demands for this particular entree. According to a recent Gallup poll, fried chicken is still the number one choice of most consumers. Although an increasing number of Americans are professing concern about their health and diets, they still most often mention fried chicken as the type of chicken they would choose in a restaurant. Nearly four out of 10 respondents expressed a preference for fried chicken, while roast or broiled chicken was mentioned by approximately two out of 10 consumers. A somewhat smaller number of individuals—14 percent—said they would order barbecued chicken, and only two percent named boiled chicken as the type of chicken they would order.

Although fried chicken is the top choice among all age groups, it is especially popular among young adults. Nearly half—47 percent—of the 18 to 24-year-old respondents said they would order fried chicken, while a smaller number of the 25 and older group—36 percent—indicated they would choose fried chicken. Barbecued chicken is also much more popular among 18 to 24-year-olds. Almost three out of 10 said they preferred this type of chicken, compared with only 12 percent of the older respondents.

Older adults, on the other hand, prefer roast and broiled chicken. One in four consumers aged 35 and older reported they would choose roast chicken. And over one in five of the respondents between 25 and 64 said they would order broiled chicken. In contrast, only about one in 10 young adults selected chicken prepared by either of these methods.

Interesting variations in the regional preferences of consumers were also evident in the Gallup poll. As can be expected, fried chicken was most popular in the Midwest and the South. Barbecued chicken seems to be most appealing to Western residents and was almost as frequently mentioned as fried chicken by these individuals. Roast chicken is much more popular in the East than in any other region and was preferred by more Easterners than fried chicken.

Operators will want to closely examine their concept and patron base before making a decision on what type of chicken entree to add to their menu.

Chicken offers a great deal of opportunity. . .

To capitalize on America's growing appetite for poultry dishes, many restaurateurs have developed imaginative ways to serve chicken. Even though fried chicken is still a favorite dish, many other types of chicken entrees are gaining in popularity.

For instance, some chicken chains are serving an offshoot of the reliable fried chicken—spicy fried chicken. Marketeers thought spicy chicken would gain acceptance primarily in the South, but it's been remarkably successful across the country. Chicken sandwiches, both fried and baked, are now offered by many restaurants. Chicken as a finger food has also been well received and is served in many forms—from chicken nuggets to chicken nachos. A tasty type of Mexican chicken that is cooked on gas or charcoal grills with steaming corn tortillas and salsa is quickly gaining popularity. Buffalo chicken wings, cooked in a spicy sauce and dipped in blue cheese, is also a creative variation of a basic chicken dish.

All in all, chicken's image has changed. Chicken has gone through many stages—from a luxury item to a basic staple of the American diet and now to a popular dish served in a variety of imaginative ways. Most importantly to restaurateurs, chicken is a relatively cost-efficient item that offers endless possibilities for creative restaurant operators. And since the demand for chicken shows no sign of slackening, restaurateurs may want to add a few poultry dishes to their menus to take advantage of this soaring trend. ☐

Eating and drinking place failure trends

Now that the economy is moving in a positive direction, restaurateurs may be interested to know how well the restaurant industry weathered the recession compared with other businesses. One way to gain this type of overview is to examine the failure rate of eating and drinking places relative to other business organizations, particularly other retail establishments.

As can be expected, during recessionary periods the failure rate of most business types increases, and as the economy improves, the failure rate declines. For instance, compared to the early 1970s, the period between 1976 and 1978 experienced a steady drop off in the number of eating and drinking place failures. Starting in 1979, however, the number of eating and drinking place failures began to increase, and during the 1980-1981 recession the failure rate grew substantially. Dunn & Bradstreet's most recent statistics, which include only the first five months of 1982, indicate the failure rate did not slow significantly during that time—the result of a lingering recession.

The current economic upturn should help reduce the number of business failures as consumer spending and improved economic conditions brighten the overall picture for most businesses—particularly eating and drinking places.

Although the following information only reflects failure rate data through the first five months of 1982, it does demonstrate how eating and drinking place failures have compared with other businesses. NRA will continue to monitor these trends and present an update as soon as information becomes available.

Number of restaurant failures rise in early 1982. . .

Dun & Bradstreet tracks the failure rate of many types of industries, including the retail trade sector which includes eating and drinking places.[1]

According to the most recent Dun & Bradstreet data, during the first five months of 1982, eating and drinking place failures totaled 769—a 47.9 percent increase over the 520 failures recorded during the same period one year earlier. This is somewhat higher than the total retail trade sector average, which reported a 38.2 percent rise in the number of failures during the first five months of 1982.

Looking at the latest annual figures available, the number of eating and drinking place failures totaled 1,366 in 1981—a 44.1 percent increase over the 948 failures in 1980. However, this is only slightly higher than the 40.2 percent increase in failures reported for all retail establishments in 1981. Even so, that year eating and drinking places recorded the largest number of failures since 1960 when 1,426 such establishments filed for bankruptcy. Some of the factors contributing to the number of failures were the continuing recession, high inflation rates and weak consumer demand.

To put these failure rates into a more understandable perspective, Dun & Bradstreet breaks their statistics into the number of failures per 10,000 operations. The failure rate of eating and drinking places was 37 per 10,000 in 1981—up from 26 per 10,000 in 1980 and 17 per 10,000 in 1979. Even though the failure rate of eating and drinking places has steadily increased, it is still well below the average retail trade failure rate, which was 47 per 10,000 in 1981. The eating and drinking place failure rate was also substantially lower than the total rate for all national industries, which averaged 61 per 10,000 in 1981.

The eating and drinking place failure rate ranked 14 among the 23 retail business sectors—an indication that eating and drinking places fared somewhat better than many other retail industries. The highest failure rate was recorded by infants and children's wear stores—114 per 10,000—and the lowest rate among retail establishments was achieved by department stores with 16 per 10,000 failures.

Liabilities incurred by eating and drinking place failures also rose during the first five months of 1982, but at a much slower pace than in the total retail trade sector. Eating and drinking place liabilities totaled $140 million between January and May 1982—a 27.6 percent increase over the $110 million reported during the first five months of 1981. This is a relatively slight gain compared with the total retail sector, which experienced a five-fold jump in liabilities during the same time period. The tremendous increase was due primarily to unusually large liabilities posted by lumber, building materials and hardware stores.

On an annual basis, liabilities incurred by eating and drinking places also increased in 1981, reaching $266 million—a 38.4 percent increase over 1980's $193 million. This was still much lower than the 57 percent average increase in liabilities recorded by all retail businesses and the 50 percent rise reported for all national industries.

Why do businesses fail?...

According to Dun & Bradstreet, lack of managerial expertise is the major factor in nine out of 10 business failures. In 1981, most retailers, however, reported that inadequate or slow sales were the primary causes for their business's failure. Eating places also experienced slow sales during 1981 and posted a relatively slight 1.3 percent rise in real sales after registering declining real sales in 1979 and 1980. A smaller proportion of retailers reported that significantly higher operating costs—a result of continuing inflation—also contributed to a large number of business failures in 1981.

How can restaurateurs avoid failure?...

The restaurant industry, perhaps more than many other businesses, is highly dependent on general economic trends. The restaurant business thrives during positive business cycles, but is apt to experience sluggish periods during economic downturns. One way restaurateurs can more successfully weather periods of an economic decline and build on periods of economic growth is by tuning into their customers' changing wants and needs. By adapting to consumer preferences, restaurant operators should be able to boost their restaurant's overall success. Keeping up with the industry's latest management techniques, implementing financial planning and keeping abreast of equipment innovations are also ways to insure an operation's profitability. Educational programs and information on these and other valuable areas are available from NRA and are specifically designed to help foodservice operators not only increase their establishment's chance of success but also avoid failure.

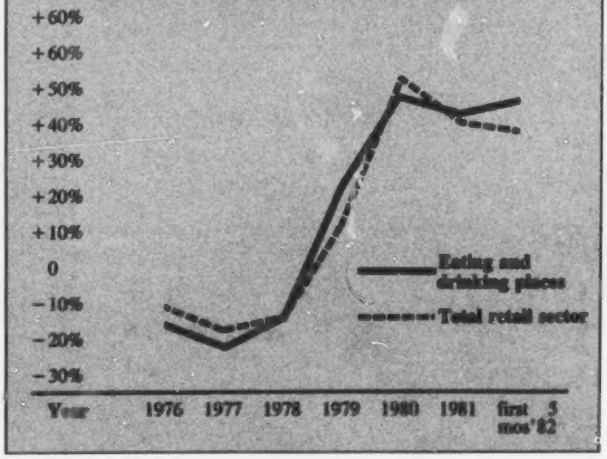
Number of eating and drinking place failures

1940 through first five months of 1982

Year	Number of failures
1940	1,219
1950	831
1960	1,426
1970	940
1976	779
1977	606
1978	515
1979	633
1980	948
1981	1,366
First five months 1982	769

Percent change in number of failures—eating and drinking places and total retail sector

1976 through first 5 months of 1982



Source: Dun & Bradstreet

Failures in specific retail and manufacturing lines

Rate per 10,000 Operating Concerns—1981

Lines of business	Failure rate per 10,000 operating concerns
Infants' & children's wear	114
Furniture & furnishings	84
Dry goods & general merchandise	78
Sporting goods	78
Lumber & building materials	64
Women's ready-to-wear	61
Men's wear	57
Appliances, radio & TV	56
Cameras & photographic supplies	46
Auto parts & accessories	46
Shoes	42
Books & stationery	40
Bakeries	39
Eating & drinking places	37
Hardware	37
Automobiles	34
Gifts	33
Toys & hobby crafts	26
Jewelry	24
Women's accessories	23
Groceries, meats & produce	21
Drugs	20
Department stores	16

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[1] Readers should be aware that Dun & Bradstreet statistics do not represent total business discontinuances. Failures reported here include only those concerns involved in court proceedings or voluntary actions with loss to creditors. Businesses who have paid off their creditors are not included. ☐

June/July/August
Summary

CREST REPORT

CREST Highlights

- The summer quarter was the fourth consecutive period of traffic growth. Customer traffic at the nation's restaurants rose 1.3 percent.
- Visit frequency declined slightly during the June-July-August period, dropping 0.4 percent.
- Restaurant sales jumped 9.3 percent in the summer quarter, compared with a 7.6 percent gain in the spring quarter and a 7.0 percent increase during the winter.
- Restaurateurs are using fewer promotions to build customer traffic. Only 9.9 percent of all meal occasions involved a promotion during the summer, down from 11.0 percent in the spring.
- Family restaurants posted the highest gains in customer traffic. Fast food and atmosphere/specialty establishments experienced more modest positive growth.
- Breakfast again captured the number one spot in traffic increases—posting a 14.7 percent jump in customer counts. The dinner meal recorded a sizable gain, while the lunch period and snacking occasions experienced declines in customer traffic.

Customer traffic rises modestly

In spite of consumers' increased confidence in the business environment and a brightening economic picture, CREST data reported only a modest 1.3 percent gain in customer traffic during the June-July-August period over the same three-month period in 1982. This advance, however, does continue a positive growth trend and marks the fourth consecutive quarter of traffic advances. Customer counts increased 2.2 percent in the spring quarter, 2.4 percent during the winter and 2.9 percent in the fall period.

Even so, there was a general expectation that the strengthening economy would stimulate a more substantial increase in restaurant patronage this summer. One reason for the slower than expected growth could be that consumers are opting to spend more on durable items than nondurable goods (which include meals away from home) at this initial stage of the recovery. This may be due to high levels of pent-up demand for durable products such as housing, automobiles and appliances.

NRA believes the CREST figures somewhat understate trends occurring in the restaurant market and suggests also looking at other industry sources for a broader view of the movements within the industry. For instance, the Gallup "Monthly Monitor of Eating Out," which also tracks consumer behavior in the eating-away-from-home market, reports a somewhat stronger growth in customer traffic during the summer months. An average of 39 percent of the respondents in Gallup's June, July and August surveys reported eating out at least once during the preceding day—higher than any summer quarter between 1978 and 1982 but identical to the average incidence of eating out during the spring quarter.

The Commerce Department is also showing a more positive growth rate for the restaurant industry. It reports eating and drinking place sales rose significantly during the summer quarter and actually advanced at a stronger pace than overall retail sales.

The outlook is optimistic...

The economic outlook remains positive. This continues to bode well for the restaurant industry. The consumer confidence index has leveled off somewhat but is still at its highest level in more than four years. The inflation rate has averaged 3.2 percent for the first eight months of this year and dropped to a low 2.6 percent during the summer months. Early estimates show that household spending power, as reflected by disposable personal income, increased by 3.9 percent in the summer quarter—another indicator of a strengthening economy. Consumer spending has also increased. The savings rate dropped to five percent of disposable income.

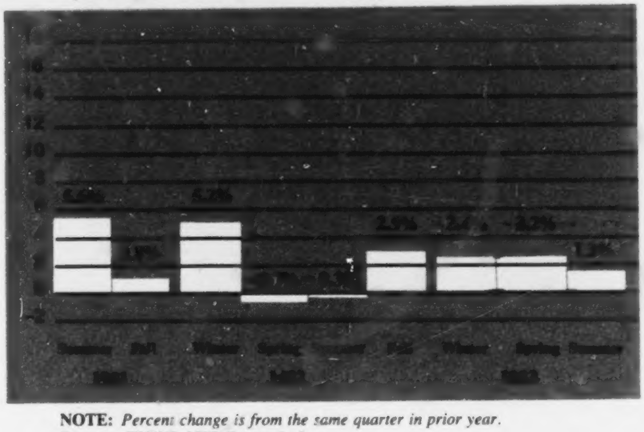
As the economy continues to gather momentum, and retail sales and consumer spending increase, restaurant sales and customer traffic levels should also advance significantly. Due to these positive signs, NRA has revised its sales forecast for 1983—expecting eating places to experience a higher real sales growth than originally predicted. (The December issue of ***NRA NEWS*** will include a complete 1984 forecast as well as the revised 1983 growth rates.)

Families dining out slightly less often...

The average number of times families visited restaurants—visit frequency—declined slightly during the summer quarter. Visit frequency dropped 0.4 percent during the summer, compared with a strong 2.7 percent rise in the spring, a small 0.8 percent increase in the winter and a one percent decrease in the fall.

An analysis of visit frequency by restaurant type shows that fast food restaurants experienced the largest gain of any category during the summer quarter—up 2.8 percent. Family style establishments also posted an increase in visit frequency—a slight 0.7 percent rise. Atmosphere/specialty restaurants and cafeterias, however, showed decreases in the average number of visits per family—down 2.9 percent and 11.7 percent, respectively.

Percent change in quarterly customer traffic (Summer 1981–Summer 1983)



NOTE: *Percent change is from the same quarter in prior year.*
Source: CREST, NPD Research, Inc.

Restaurant sales jump 9.3 percent...

CREST sales continued to strengthen during the June-July-August quarter—rising 9.3 percent over the same period one year earlier. This compares with a 7.6 percent gain in the spring, a 7.0 percent rise during the winter and a moderate 5.0 percent gain in the fall quarter.

The average expenditure for a restaurant meal or snack—per person check size—also increased significantly during the summer period and contributed to the summer's healthy restaurant sales. The average check size increased by 7.9 percent in the summer quarter—up from 5.3 percent during the spring period, 4.5 percent in the winter quarter and 2.1 percent in the fall.

The 7.9 percent average check size is somewhat higher than the 4.1 percent gain in menu prices recorded by the Consumer Price Index (CPI) for food away from home during the same period for the following reasons. Customer counts were up at meal periods that have higher check averages and down during periods that have lower check averages. For instance, supper traffic increased significantly, while customer counts for lunch declined. An increase in the average number of items ordered also helped boost the per person check size.

Promotion usage levels off...

Restaurant operators continue using promotions as a way to build customer traffic, but the level of usage has dropped. During the June-July-August period, 9.9 percent of the meal occasions involved a promotion—down slightly from 10.0 percent during the same three-month period one year earlier. Promotional usage is also lower than the spring quarter's 11.0 percent, the winter period's 12.9 percent and the 10.9 percent rate during the fall quarter.

Looking at the use of promotions by restaurant type shows that fast food restaurants continue to use promotions more often than do other restaurant types. However, the level of usage dropped from 12.5 percent during the summer period of 1982 to 12.0 percent this summer. Atmosphere/specialty restaurants also decreased their usage of promotions during this period—down from 10.3 percent one year earlier to 9.4 percent. Family restaurants and cafeterias increased their promotional usage from the prior year and reported levels of 10.2 percent and 6.6 percent, respectively.

Traffic rises at family restaurants...

Family restaurants posted the most favorable gains in traffic during the summer quarter, while customer counts at fast food, atmosphere/specialty restaurants and coffee shops increased somewhat more modestly. Traffic levels at cafeterias, however, dropped during the June-July-August period.

Traffic rose a substantial 7.3 percent at family restaurants in the summer quarter over the same period a year ago. A hefty increase in the percentage of families visiting family restaurants helped boost traffic.

The per person check size at family restaurants rose 4.0 percent in the summer quarter over the same period a year ago. This compares with a larger 7.9 percent average increase for all restaurants. Promotions were used on 10.2 percent of the occasions at this restaurant type—up from 9.6 percent one year earlier. These factors may have contributed to consumers perceiving a favorable price/value relationship for a meal at family restaurants and contributed to the rise in traffic.

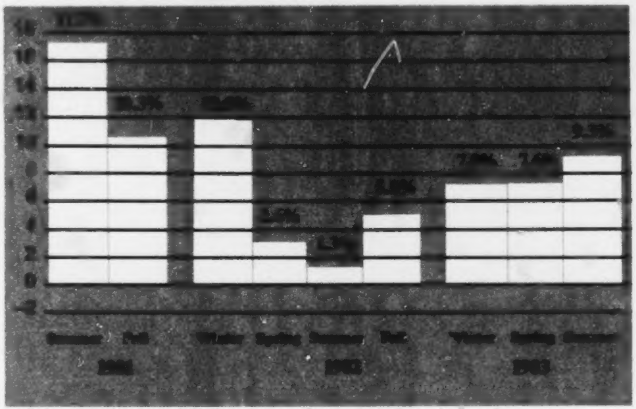
Customer counts at fast food restaurants rose a moderate 2.5 percent in the summer quarter—the lowest increase in four quarters and somewhat slower than the 2.9 percent gain posted during the spring period. Although the number of visits by patrons increased a modest 2.8 percent in the summer, a 2.1 percent drop in the average number of persons per occasion may have contributed to the slow growth.

Promotional usage continues to drop at fast food establishments which could also be a factor for the moderate traffic growth. Promotions were used on 12.0 percent of the meal occasions during the June-July-August period—the lowest level in over a year. Perhaps customers have come to expect certain discounts from this restaurant type and are opting to visit other establishments when promotions are not offered. The per person check size rose 6.1 percent at fast food restaurants which helped boost overall sales 8.7 percent during the summer quarter.

CREST data can be helpful to restaurateurs

The CREST information presented here can be useful to restaurateurs as a base for comparing their operations with industry performance nationally as well as with performance within their specific restaurant category (fast food, family, atmosphere/specialty restaurants). CREST data can also help monitor performance for specific meal periods and identify how segments will be affected by economic conditions. More detailed CREST information is available to NRA members through the research and information service department of the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001.

Percent change in quarterly CREST sales*
(Summer 1981–Summer 1983)



*Sales based on total U.S.; average for two-week period each quarter.

NOTE: *Percent change is from the same quarter in prior year.*
Source: CREST, NPD Research, Inc.

Atmosphere/specialty restaurants experienced a small but positive gain in customer traffic during the summer quarter—0.6 percent. However, this was significantly weaker than the 3.9 percent rise recorded during the spring period. Visit frequency declined 4.7 percent during the summer, which probably contributed to the slower than average traffic growth.

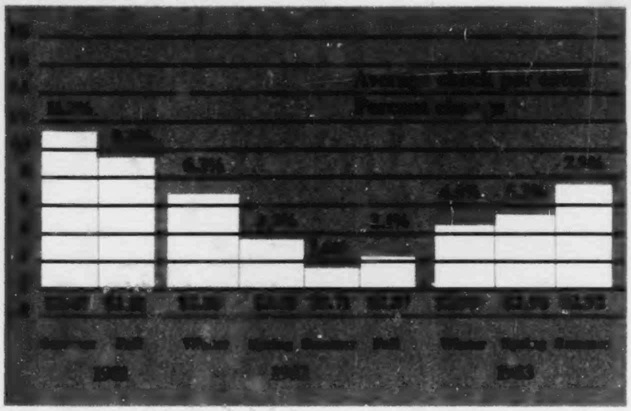
The per person check size at upscale restaurants rose significantly—11.1 percent. This is substantially higher than the 7.9 percent increase reported for all restaurants. The gain in check size, however, helped boost sales 11.7 percent for this restaurant type—the largest increase among the various restaurant types. Promotional usage dropped at atmosphere/specialty restaurants during the summer period and was used on 9.4 percent of the eating occasions, compared with 10.3 percent one year earlier.

Coffee shops experienced a very slight gain in traffic during the summer quarter. Take-out restaurants and cafeterias both reported decreases in customer counts in the summer period. Again very small gains or actual declines in both the number of families visiting these restaurants and/or visit frequency contributed to the drop in customer traffic at these establishments.

Breakfast counts continue to rise...

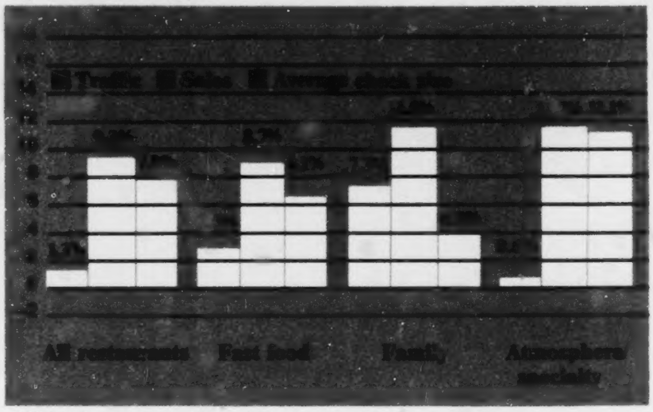
Traffic rose at both the breakfast and supper meal periods, while customer counts declined for the lunch and snack meal occasions. Breakfast easily captured the number-one spot—customer traffic for the first meal of the day was up an impressive 14.7 percent advance during the summer quarter. This is somewhat less than the unusually high 17.0 percent gain recorded during the spring period. A substantial 6.0 percent advance in visit frequency contributed to the healthy rise in customer traffic during the summer months. The number of families eating breakfast away from home also increased significantly—9.1 percent—which helped boost traffic levels. Promotions accounted for 8.7 percent of breakfast occasions during the most recent CREST period, up from 7.8 percent one year earlier. This also may have contributed to the strong traffic growth. The average check size advanced 4.5 percent during the summer—much less than the 7.9 percent average for all restaurants. Together, these factors probably helped consumers

Average per person check*
(Summer 1981–Summer 1983)



*Based on average two-week period.
Source: CREST, NPD Research, Inc.

Summer quarter performance
by restaurant type



NOTE: *Percent change is from the same quarter in prior year.*
Source: CREST, NPD Research, Inc.

feel they were receiving a good value for the breakfast meal. The continuing increases in breakfast traffic seem to indicate more and more patrons are choosing to eat this meal away from home. Restaurateurs interested in improving customer counts may want to consider emphasizing the morning meal.

Customer traffic during the evening meal advanced 4.4 percent in the summer quarter, up significantly from the 2.2 percent rise in the spring period. A fairly strong increase in the number of families eating dinner out, along with a modest gain in visit frequency, probably contributed to the traffic gains. The average check size for the dinner meal experienced a fairly high increase—7.4 percent—during the summer period. This rise helped sales for the dinner period advance a substantial 12.2 percent. Promotions were used on 13.8 percent of the dinner occasions, down somewhat from 14.1 percent one year earlier.

Restaurant traffic at lunch dropped slightly during the summer quarter—0.4 percent. This compares with a slightly more positive 0.7 percent gain recorded during the spring period. Visit frequency for the mid-day period declined a small 0.6 percent, and the number of families eating lunch in restaurants rose only slightly—0.9 percent. Both of these factors contributed to the slowdown in customer counts. Promotional usage was 8.5 percent for the lunch period—even with the same period one year earlier.

Snacking occasions experienced a substantial drop in customer traffic during the June-July-August period. Customer counts declined 7.4 percent compared with one year earlier. Contributing to this decrease was a significant drop in visit frequency—8.3 percent—during the summer period. Snacking occasions usually account for approximately 20.0 percent of all eating occasions in the summer months; but during the June-July-August period of this year, they accounted for only 18.7 percent of the total customer traffic. These figures indicate families are continuing to snack away from home less often.

—Cecelia Niepold

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, it contains a great deal more data, including information by type and classification of restaurant and also by meal or snack period.

Some 10,000 families, or approximately 30,000 persons, participate in the study. They have been selected to represent the demographic patterns in the U.S. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it creates an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. The first step requires that each household member make a daily entry for each meal during the two-week period. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary will not include any meals eaten at schools, hospitals, colleges or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NPD Research, Inc.

The CREST study is a joint effort of individual foodservice organizations acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is solely a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact NPD Research, Inc., 9801 West Higgins Road, Rosemont, IL 60081.

The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on and so forth. It will not tell people's attitudes toward a particular issue. Because it is an ongoing study, it will allow comparison against a standard—and aid in the development of trend analysis. This enables the operator to make decisions based on documented trends rather than on casual observation.

MAKING PUBLIC RELATIONS WORK FOR YOU

by Linda Kundell, president, Linda R. Kundell Associates, New York, NY

Ever wonder why some restaurants seem to garner all the publicity, while others whose cuisine, ambiance, and service are equally good, don't seem to get the same attention? The answer more often than not lies in public relations.

Why public relations? . . .

Public relations is a potent tool that can help position your restaurant or restaurant product and lead to increased business. It can gain your restaurant or product important exposure, credibility, a distinct image and increased sales.

If you're a restaurateur or have a product you want the public to sample in restaurants, you need public relations for several reasons. First and foremost, you want to draw attention to the establishment to increase business. Carefully planned public relations campaigns can help you achieve these objectives, sometimes at surprisingly low cost.

Broadly defined, public relations is the art of obtaining editorial coverage, of getting your message in print or on the air. As opposed to advertising, where you buy space and are guaranteed that your message will run in a certain place at a certain time, public relations offers no such guarantee.

What it does offer, however, is a credibility you can't buy with dollars because your restaurant or product is featured in the editorial space that readers look to for their information. Some people like to call it "free" publicity since you don't pay for the space. What you may pay for, however, is the expertise of a professional public relations agency to produce the kind of results you want.

Before you begin a publicity campaign, you should

- decide on your objectives
- allocate a portion of your marketing budget for public relations expenses, such as printing or project fees, if you hire an agency and
- decide how much time you and your staff can actually devote to planning, developing and executing a publicity campaign.

The press campaign . . .

The press release—a statement about a specific event, product or service you want to promote—is your major tool. Since many newspaper editors in larger cities receive up to 200 releases a week, you'll have heavy competition. To compete, your releases must be easy to read and concise.

If you're planning to write your own press releases, here are some tips.

Your releases should give information or announce a new event.

Remember to

- limit your release to two pages
- double space and use only one side of the page
- staple your pages and indent paragraphs
- leave ample margins
- avoid superlatives and
- give information not a sales pitch.

Next, send your press information to the correct editor, and be sure you spell that person's name accurately. You may wish to follow up with a phone call. Since many editors work under heavy pressure, be courteous and direct about why you're calling.

Telephone etiquette is of utmost importance when dealing with editors. Understandably, you may want to screen your calls; but if a reporter calls, don't put him or her through the third degree because this can undermine rapport.

If you're busy, take the reporter's name and number, and return the call as soon as possible. Don't keep reporters waiting on the phone or ask them to call you back. They may be on a tight deadline, and your prompt response can make the difference between your getting into print or not.

Know the difference between giving information and selling. There's a fine line. Editors want information, not a sales pitch. By giving them facts, you'll develop credibility.

When to use an agency . . .

If your message is geared to a limited audience—one or two local newspapers and a handful of local television and radio stations in a small city—you may want to conduct your own promotional effort. However, if you want to attract out-of-town visitors, traveling business people and convention business people who might read about you in another city or state—consider using an outside public relations practitioner or agency.

Why? Time is one consideration. You may be diverting productive hours from running your establishment thus cutting into your efficiency. You also may not have the expertise—the writing ability, analytic skills and media contacts—that public relations professionals take years to cultivate.

Hiring an agency . . .

Suppose you decide to hire a public relations agency or service. What should you look for? Get an idea of the agency's track record. Ask to see sample press releases prepared for other clients and press clippings.

Determine whether the agency can see creative potential in your restaurant and whether it can uncover angles you may not have thought of. Be sure the agency sees your publicity in terms of an overall marketing plan. Then, find out how you can best work together.

Effective public relations calls for patience. Allocate at least six months to publicizing your restaurant or product. It takes that long to build recognition. Remember, newspaper feature sections work three weeks ahead of the publication date, while magazines work three to four months ahead. Lastly, be wary of anyone who promises anything too good to be true. It usually is! ❑

NRA SEMINAR SCHEDULE

American Regional Cookery

11/29-30	Washington, DC
1/25-26	New Orleans, LA

Simplified Baking Workshop

12/8	Nashville, TN

Banquets and Buffets

11/14-15	Washington, DC
12/14-15	Seattle, WA
1/25-26	Reno, NV

Bar Management

11/21-23	Phoenix, AZ
12/5-7	San Antonio, TX

Controlling Beverage Costs

11/14	Nashville, TN
12/7	Albuquerque, NM

Off-Premise Catering

11/14-15	Lexington, KY
12/5-6	Atlanta, GA
1/23-24	Miami, FL
1/30-31	Boston, MA

Computers in Foodservice: A Primer*

11/21	Portland, ME

Computers in Foodservice: Advanced Technologies/Now That I Have One...*

11/22	Portland, ME

Dining Room Management

11/16	Williamsburg, VA
12/5	Reno, NV
12/12	Long Island, NY
1/16	San Diego, CA
1/17	San Francisco, CA
1/30	Denver, CO
1/31	Phoenix, AZ
2/2	Kansas City, MO

Preparing a Successful Employee Handbook

11/28	Los Angeles, CA

Controlling Food Cost

11/28	Atlanta, GA
1/23	Houston, TX
1/24	New Orleans, LA

Kitchen Management

11/28	Ann Arbor, MI
11/30	Madison, WI
12/6	Des Moines, IA
1/16	Portland, OR
1/17	Seattle, WA
1/19	Los Angeles, CA

*Please note that there are basic and advanced courses on the topics of computers and labor costs. These courses are scheduled consecutively, but either program may be taken independently of the other.

Principles of Labor Cost Management*

11/21	Keystone, CO

Advanced Labor Cost Management*

11/22	Keystone, CO

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

1/16-17	Richmond, VA

Meat: Purchasing, Preparing and Merchandising

12/6	San Antonio, TX

Creative Merchandising Techniques

11/17	Minneapolis, MN
12/15	Memphis, TN
1/23	Atlanta, GA
1/24	Miami, FL

Motivation: Increasing the Desire to Do More and Better Work

11/22	Detroit, MI
11/29	Orlando, FL
1/26	Reno, NV

How to Open and Operate a Restaurant

11/29	Chicago, IL

Operational Analysis: Understanding Foodservice Revenues and Expenses

11/14-15	Dallas, TX

Planning and Implementing Restaurant Marketing Strategy

12/12-13	Kansas City, MO

Basic Purchasing

1/9	Detroit, MI

Basic Supervision in Foodservice

11/15	Williamsburg, VA
12/13	Portland, OR

Train the Trainer

12/8	Washington, DC

NRA Conferences 1984

1/9-12	*9th Annual Tableservice Conference,* Las Vegas, NV
2/19-22	*National Conference on Computers in the Foodservice Industry,* Orlando, FL
3/19-22	*2nd Annual Conference on Alcoholic Beverage Service,* San Francisco, CA

For more information on specific seminars, contact
NRA Education
Programs Department
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156

STUDY GROUP MEETINGS

Labor Relations

1/18-19	Dallas, TX

Market Research

2/29-3/2	Orlando, FL

Internal Audit

3/14-16	San Antonio, TX

Financial Officers

4/4-6	San Francisco, CA

Tax Executives

4/4-6	San Francisco, CA

Marketing Executives

4/8-11	Washington, D.C.

EDP

4/24-27	Clearwater Beach, FL

Purchasing

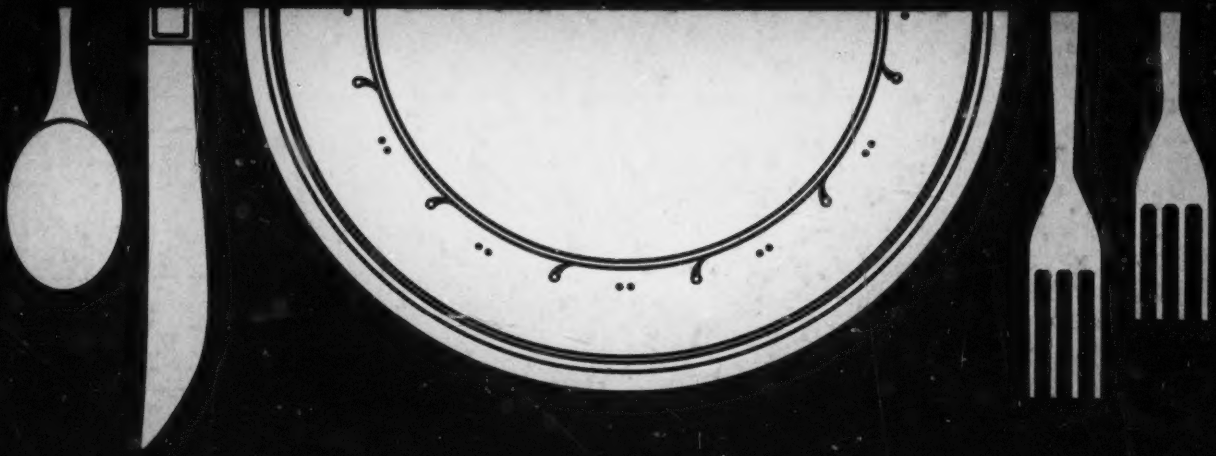
5/16-18	Chicago, IL

MAECO

5/16-18	Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 787-2525.

IN-HOUSE SEMINARS MAY BE ARRANGED UPON REQUEST.



A National Restaurant Association/University of Nevada at Las Vegas event

NINTH ANNUAL NRA/UNLV

TABLESERVICE CONFERENCE

January 9-12, 1984 Caesars Palace Las Vegas, Nevada

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4520 EAST-WEST HWY #800
WASHINGTON DC 20014

[illegible] a little overwhelmed by the changes in the industry and would like to get a handle on industry innovations, this program is designed for you. We will focus on the trends and problems in the industry which affect your daily business.

For further information contact NRA's Educational Programs Department, [illegible] St., N.W., Washington, DC 20001 [illegible] 5156 or (202) 638-6100

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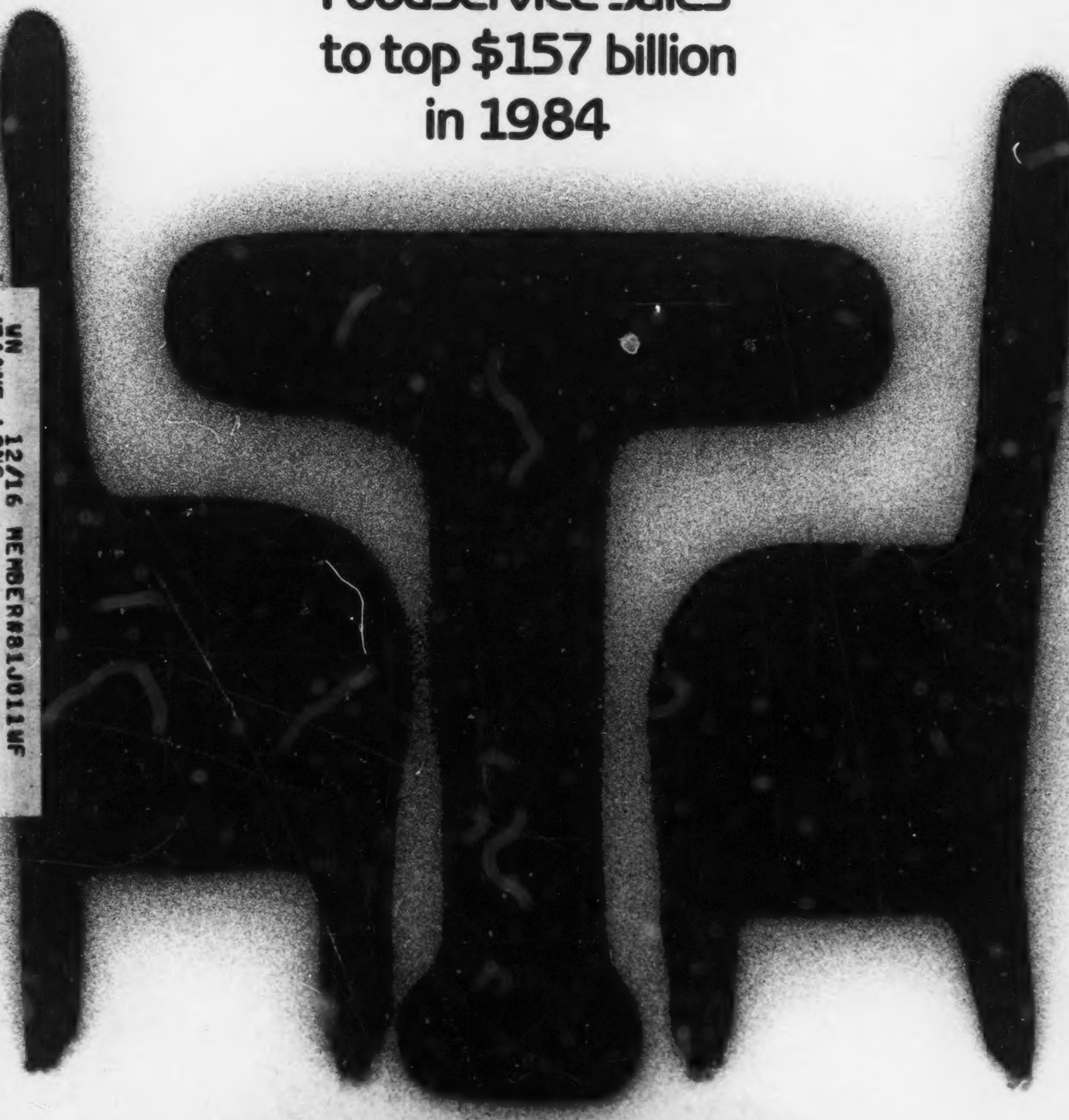
National Restaurant Association
Vol. 3 ☐ No. 11 ☐ December 1983

NRA NEWS

A Glowing Year Ahead

Foodservice sales to top $157 billion in 1984



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JEANNE LONG
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NRA Annual Forecast Glows

The news is good. Next year foodservice sales will reach $157 billion. Once you correct for inflation, that is real growth of 3.5 percent for 1984, following 3.7 percent for 1983. The foodservice industry is showing steady growth.

The reasons are clear. The economy has improved dramatically. People now have extra discretionary funds and want to spend a good portion of that money on food away from home. Imaginative foodservice companies that offer quality food and hospitable service should thrive.

What can stand in the way of prosperity? Only our own sluggishness. In a phase of growing sales like we are experiencing now, it is essential that operations stay abreast of customer needs and wants.

Recent NRA research, for instance, shows that 40 percent of American consumers have changed their eating habits when dining out. They want more "light food"—food that is high in fiber and low in animal fats, salt and sugar. Another NRA survey shows that 47 percent of our customers want more ethnic foods. They would like to see foods from foreign countries added to our regular menus. These people will go to the restaurants that offer them what they want.

To keep up with such trends, you should follow the research conducted by NRA and made available to you in this magazine and other special NRA publications.

What other forces could interfere with our continued prosperity? We have to keep our eye on the government. There are people in Washington who want to raise the minimum wage, eliminate the tip credit and reduce the business meal deduction. There are people in the federal bureaucracy who would like to see us labeling ingredients on menus. There are people in our own states who would like to extend third party liability and institute local meal taxes. These people do not take into consideration the disruption these changes will cause in our businesses.

How do we protect ourselves from damaging laws and regulations? By working together through our state and national restaurant associations. In fact, in a time of prosperity, we most need the NRA. Only by pooling our ideas and our energy through our association can we maintain the steady growth our industry is experiencing.

James A. Collins
Chairman, Education & Research
Committee

NRA NEWS

Vol. 3 No. 11 December 1983

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Staff Contributors
Walter Ashcraft
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Tom C. Corcoran
Dorothy Dee
Clyde L. Griffith
Kathy Groiss
Bette B. Hoyt
Cathy Kenney
Susan F. Mills
Robert A. Palmer
Andrew P. Poledor
James T. Rogers
Editorial Typist
Barbara Foley
Valerie Pines

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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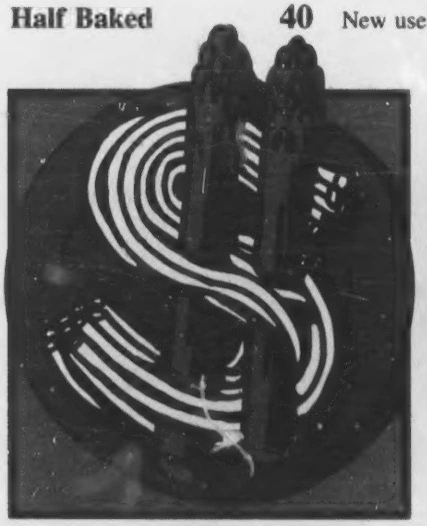


SHORT ORDER

$1,000 free insurance for NRA key members

As a special new service for members, NRA will begin providing all key members with an opportunity for $1,000 free insurance coverage under the new NRA Personal Accident Insurance Plan. Members need only complete a beneficiary description form to put the insurance into effect—it costs members nothing! Of course, your 1984 dues must be paid, too.

This insurance provides coverage for accidental death, dismemberment and accident impairments. It pays 100 percent of the benefit for accidental death and up to 100 percent of the benefit for total loss of limbs or sight *as well as* "loss of use" of limbs or sight.

"Loss of use" coverage means the plan not only covers total loss and accidental death but also the everyday use of eyes, hands, arms, feet, fingers and toes. In addition, the plan covers the accidental loss of speech and hearing. These coverages are not usually found in most accident plans, and NRA is pleased to be able to provide this type of protection.

Besides the $1,000 no-cost coverage, members and their families are eligible to add up to $250,000 additional coverage under this same plan. The acceptance of members and spouses is guaranteed regardless of age. Unmarried, dependent children must be between the ages of 14 days and 19 years (23 if a full-time student) to qualify.

Detailed information about the complementary $1,000 insurance coverage and additional insurance offer will be sent to key members in December. Watch for your beneficiary designation form at that time. For answers to questions concerning this plan, contact NRA's insurance administrator: Albert H. Wohlers & Co., NRA GROUP INSURANCE PLANS, 1500 Higgins Road, Park Ridge, IL 60068.

American Express sponsors CityMeals-on-Wheels restaurant week

In an effort to give exposure to New York-area restaurants while raising money to help provide weekend meals to the homebound elderly in 1984, American Express sponsored a CityMeals-on-Wheels restaurant week, November 14-20. More than 250 restaurants participated by hosting special fund-raising events, contributing a percentage of receipts or making direct donations to the New York City's Department for the Aging CityMeals program.

To elicit support for restaurant week, American Express funded a massive direct mail campaign to the city's 16,000 restaurants, then underwrote special advertising to publicize the week's events and the restaurants that hosted them. Net receipts from restaurant week exceeded $200,000, with additional donations still running as high as $12,000 a day as a result of the highly successful campaign.

NRA computer conference in the works

NRA's National Conference, Computers in Foodservice, will be held February 19-22 in Orlando, Florida. Representatives from computer companies across the country will be on hand to explain their equipment and answer your questions. See back cover of this issue of ***NRA NEWS*** for more information.

NRA studies ethnic food consumption

A recent NRA consumer survey reveals the most popular ethnic foods in restaurants. See the chart in the 1984 Forecast edition of *Foodservice Trends* for the rankings. An in-depth article on ethnic foods will appear in the ***NRA NEWS*** early in 1984.

NRA Chicago office relocates

The NRA Chicago office, which houses the NRA convention and technical services departments, has moved to One Park Place, Suite 2000, Chicago, IL, 60601. The new telephone number is (312) 853-2525.

Tip Reporting kits sent to members

Each association member should have received NRA's Tip Reporting Kit. Contact NRA's government relations department if yours has not arrived. The two-part portfolio outlines initiatives for working with Congress and your employees to amend current tip reporting requirements.

National Meat Week set for January

To address consumer misconception about red meat and to emphasize meat's important dietary contribution, the American Meat Institute (AMI), its member companies and related industry organizations will inaugurate National Meat Week, January 22 to 28, 1984. The U.S. Senate officially endorsed the celebration last month, which will become an annual event.

The National Meat Week is part of a continuing series of nutrition education programs sponsored by the meat industry to emphasize the quality, nutritional value and economy of meat.

The theme for the week—"Meat, food for fitness"—has been chosen to illustrate the association between red meat and good health. Also, the theme piggybacks on the U.S. Department of Agriculture (USDA) ongoing food for fitness campaign, and the logo—a characterization of two runners—ties in with the 1984 Olympics.

The American Meat Institute has put together a planning guide for National Meat Week to assist in planning and coordinating promotional activities. For a catalog of materials available from AMI—including stickers, buttons, sandwich charts, a shopper's buying guide and T-shirts—contact Cindy Thornburg, American Meat Institute, P.O. Box 3556, Washington, DC 20007; 703/841-2400.

WASHINGTON REPORT

1983 legislation in review

Tip reporting, immigration reform, sodium bisulfite, the drinking age—these were some of the more important industry concerns of 1983. Some of them received extensive attention in Congress, while others were considered by federal agencies and the courts. Here's a review of major 1983 issues.

Tip reporting. . .

Jan. 1, 1983, ushered in a new and unpopular law to increase tip reporting compliance in the restaurant industry. A part of the 1982 tax act, it had been opposed by NRA and other hospitality groups. Once it became a reality, NRA set out to make restaurateurs aware of their new reporting responsibilities. At the same time, it sought changes in the new law that would make compliance easier for employers and more equitable for employees.

NRA pressed for technical changes in new IRS rules. After it became apparent that regulatory changes would not be satisfactory, it pushed for corrective legislation.

NRA's work in the tip reporting area reached a peak on Aug. 4, when U.S. Reps. John Duncan (R-TN) and Andrew Jacobs (D-IN) introduced H.R. 3803, a tip relief bill that embodied changes called for by the NRA board of directors at its May meeting. The bill would eliminate allocation requirements, exempt from the law those establishments where tipping falls below five percent of sales, and base coverage of the law on the number of employees in a unit rather than in a firm.

As the first session of the 98th Congress drew to a close, the list of the bill's sponsors had grown from the original two to 78. And shortly before Congress adjourned in November, Sen. Howell Heflin (D-AL) introduced a bill identical to H.R. 3803, giving NRA a foothold in the Senate (see related story).

With interest in the issue high, NRA hopes the House Ways and Means Committee will take up the bill next year and that the companion measure will move forward in the Senate.

Immigration reform. . .

In what came as a surprise to many, immigration legislation was kept bottled up in the House Rules Committee this fall, effectively postponing any reform action until next year. The measure passed the Senate earlier this year and was ready for House consideration, but Speaker Thomas (Tip) O'Neill (D-MA) announced in October that he would block attempts to bring the bill (H.R. 1510) up for debate.

The legislation contained a controversial provision that would subject employers to fines and/or imprisonment for "knowingly" hiring an illegal alien. In addition, the Senate bill required employers to verify a prospective employee's legal status by checking at least two forms of identification.

It also required that employers keep on file for five years records substantiating that each new employee's IDs had been checked. The House measure contained an NRA-supported amendment that made these recordkeeping requirements voluntary. Recordkeeping would become mandatory, however, if an employer were found to have hired an illegal alien.

Sodium bisulfite use. . .

Several reports surfaced early this year linking the preservative sodium bisulfite to adverse reactions in restaurant patrons. Reported reactions to foods or beverages containing sulfites have ranged from nausea to loss of consciousness.

Realizing that continued use of the chemicals could pose a safety hazard to customers, NRA asked its members to stop using sulfiting agents until after the Food and Drug Administration (FDA) determined whether or not use of sulfites creates a safety hazard.

Later FDA asked those state health agencies that have adopted FDA model codes to request food retailers (including restaurants) to post signs or indicate on the menu that sulfites are used in food preparation.

FDA has said that any changes in the use of sulfites, which remain on the agency's Generally Regarded As Safe (GRAS) list, would come next spring at the earliest.

NRA continues to recommend that employers not use the preservatives.

Taking the Labor Department to court. . .

Does a Department of Labor (DOL) compliance officer have the right to enter your restaurant and conduct an unrestricted investigation of your employment practices without first stating the reason for such an investigation and obtaining a court-authorized search warrant? That is the issue the Supreme Court took up on Nov. 29, in what was undoubtedly the most important court case affecting the restaurant industry this year.

In 1982, the U.S. District Court of North Dakota ruled in favor of Lone Steer, Inc., a restaurant and motel operation in Steele, ND, when the manager refused to allow a DOL agent on the premises until a court-obtained search warrant was produced. DOL decided to appeal the case directly to the Supreme Court since the decision has the potential of significantly altering DOL auditing procedures.

Because of its importance to the industry, NRA filed a friend-of-the-court brief in support of Lone Steer. NRA argued that DOL's current practice of random, unannounced and disruptive on-site inspections is a violation of the Fourth Amendment, which protects citizens from unreasonable searches and seizures. Lone Steer's position was also buttressed by an earlier Supreme Court decision. That decision invalidated DOL inspection powers under the Occupational Safety and Health Act (OSHA) to search the work area for safety hazards.

The Supreme Court's decision is not expected until early spring.

Congress adopts changes in dairy price supports. . .

Purchases of surplus dairy products by the U.S. government have continued to soar in recent years despite attempts by Congress to stem milk production. The cost to the taxpayers is now over $2 billion a year.

This fall, Congress adopted yet another measure to reduce dairy price supports. The legislation would reduce by 50 cents per hundredweight the current price support, and it would pay farmers $10 per hundredweight for not producing milk—up to 30 percent of their base quantity.

NRA supported an ill-fated amendment by U.S. Rep. Barber Conable (R-NY) to reduce the price support further and eliminate the paid diversion proposal. Conable's amendment would have saved consumers $1 billion next year, according to the Congressional Research Service.

Drunk driving legislation introduced. . .

Once primarily a state issue, legislation to raise the drinking age and to crack down on drunk driving is picking up support in Congress. Several bills to raise the drinking age to 21 were introduced in Congress this year. One of them, a bill by U.S. Rep. James Florio (D-NJ), was reported out of a House Energy and Commerce Subcommittee in October and was close to full committee markup before Congress adjourned. It has over 30 cosponsors and would make it illegal to sell alcoholic beverages to individuals under the age of 21.

Heflin introduces tip bill in Senate

U.S. Senator Howell Heflin (D-AL) has introduced a tip reporting relief bill (S. 2070) that is identical to the NRA-backed House bill, H.R. 3803. The bill was introduced on Nov. 8 and has been referred to the Finance Committee. Like H.R. 3803, the bill would eliminate the burdensome allocation provision. In its place would be the requirement that an employer provide IRS with easily-obtained employee information if reported tips fall below eight percent of sales. The bill also would provide relief for employees who earn tips of less than five percent, and it would apply the law to individual units rather than to firms.

Heflin said he introduced the bill because he fears the new law will "generate a bureaucratic nightmare of recordkeeping and reporting for small businesses" and "create an adversary relationship between the employer and his employees."

78 cosponsors for H.R. 3803

H.R. 3803, the NRA-backed tip reporting bill in the House of Representatives, continues to pick up cosponsors. When Congress adjourned for the holidays, 78 representatives had signed to cosponsor the bill.

If you haven't already contacted your congressman about this bill, do it while he (or she) is home during the holidays. Call your congressman's district office. If you would like information about the bill, contact the NRA Government Relations Department in Washington, DC; 800/424-5156.

End of the year tally

H.R. 3803

SPONSORS:

John Duncan (R-TN)
Andrew Jacobs (D-IN)

COSPONSORS:

Democrats

1. Gus Yatron (D-PA)
2. Ron Wyden (D-OR)
3. Ray Kogovsek (D-CO)
4. Jim Bates (D-CA)
5. Charles Whitley (D-NC)
6. Dan Daniel (D-VA)
7. Robin Tallon (D-SC)
8. Tony P. Hall (D-OH)
9. Abraham Kazen, Jr. (D-TX)
10. Ike Andrews (D-NC)
11. Barney Frank (D-MA)
12. Tim Valentine (D-NC)
13. Katie Hall (D-IN)
14. William Hughes (D-NJ)
15. Tony Coelho (D-CA)
16. Patricia Schroeder (D-CO)
17. John F. Seiberling (D-OH)
18. Tom Lantos (D-CA)
19. Timothy Penny (D-MN)
20. Peter Kostmayer (D-PA)
21. Bill Boner (D-TN)
22. Douglas Applegate (D-OH)
23. Bob Traxler (D-MI)
24. Douglas Bosco (D-CA)
25. Paul Simon (D-IL)
26. Bill Patman (D-TX)
27. Kent Hance (D-TX)
28. Jim Slattery (D-KS)
29. Robert Torricelli (D-NJ)
30. Pat Williams (D-MT)

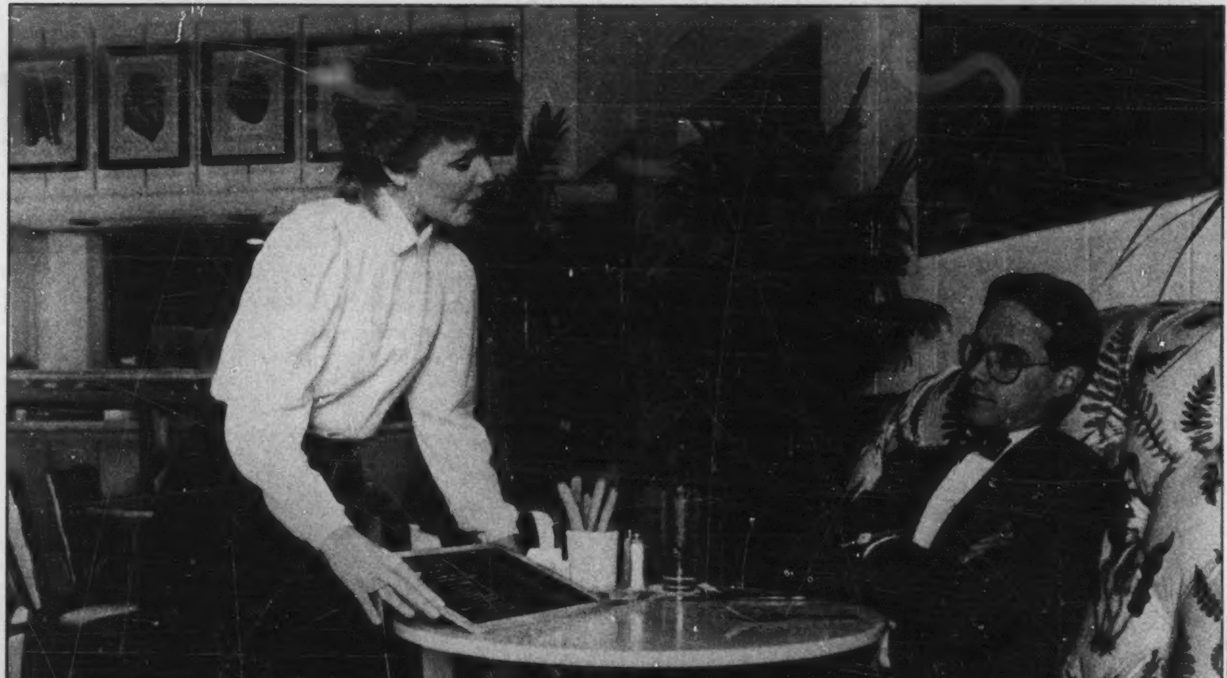
Republicans

1. Gene Taylor (R-MO)
2. William Dickinson (R-AL)
3. Pat Roberts (R-KS)
4. Ron Marlenee (R-MT)
5. Lyle Williams (R-OH)
6. Phil Gramm (R-TX)
7. William Whitehurst (R-VA)
8. Jerry Lewis (R-CA)
9. Larry Hopkins (R-KY)
10. J. P. Hammerschmidt (R-AR)
11. Bob McEwen (R-OH)
12. Carroll Campbell (R-SC)
13. Tom Kindness (R-OH)
14. Hamilton Fish (R-NY)
15. Thomas J. Bliley (R-VA)
16. James H. Quillen (R-TN)
17. Marjorie S. Holt (R-MD)
18. J. Kenneth Robinson (R-VA)
19. David Dreier (R-CA)
20. F. James Sensenbrenner (R-WI)
21. Gene Snyder (R-KY)
22. George Hansen (R-ID)
23. Clarence Miller (R-OH)
24. John R. Kasich (R-OH)
25. Stewart B. McKinney (R-CT)
26. Arlan Stangeland (R-MN)
27. Silvio O. Conte (R-MA)
28. Toby Roth (R-WI)
29. Robert J. Lagomarsino (R-CA)
30. Joseph McDade (R-PA)
31. Frank Horton (R-NY)
32. Robert F. Smith (R-OR)
33. William F. Clinger (R-PA)
34. Bill Emerson (R-MO)
35. Howard Nielson (R-UT)
36. Stan Parris (R-VA)
37. Robert S. Walker (R-PA)
38. Dan L. Burton (R-IN)
39. Gene Chappie (R-CA)
40. William Broomfield (R-MI)
41. Don Young (R-AK)
42. Eldon Rudd (R-AZ)
43. Vin Weber (R-MN)
44. Elwood Hillis (R-IN)
45. Michael DeWine (R-OH)
46. Harold Sawyer (R-MI)
47. Bill McCollum (R-FL)
48. Larry E. Craig (R-ID)

BODY LANGUAGE

CAN YOU READ BETWEEN THE LINES?

by Toni Lydecker



PHOTOGRAPHER: MARK BORCHELT SETTING: PLEASANT PEASANT WASHINGTON, DC

The customer's crossed arms, crossed legs, withdrawn posture and lack of eye contact all suggest he is not open to the waitress' menu suggestion.

Glancing swiftly around the dining room of his restaurant, Larry hears only the low, harmonious hum of voices and an occasional clink of dishes. But suddenly a frown settles over his face. He sees that three potentially troublesome situations are brewing.

☞ At one table sits a middle-aged couple who arrived 15 minutes earlier. Lips compressed, the woman is tapping her foot; the man is resting his chin in his hand and gazing intently at the menu.

☞ A young woman dining alone at another table is ignoring a plate of half-eaten food in favor of doodling on the back of an envelope.

☞ Across the room, the assistant manager is talking excitedly to a waiter. The waiter's head is at first tilted downwards, but then he raises it, takes a step away from the other man and folds his arms.

Larry sighs, for he can follow the play without a script. At the first table, he knows, the woman is ready to order, but her companion is undecided. He sends a waiter over to neutralize the tense atmosphere by recommending that the couple begin with the restaurant's featured appetizer.

The second case is a puzzler. The woman may not be eating because something is wrong with the food. The doodling could also indicate that she is bored and uncomfortable eating alone and would appreciate a little extra attention from the waitress. Or she may be preparing to write the Great American Novel and prefers not to be disturbed. Larry passes on these observations to the waitress, asking her to find out tactfully whether the customer is satisfied with the food and service.

The encounter between the staff members is more clear-cut. The waiter's body language shows that he was initially receptive to what the assistant manager was saying, but he is now becoming defensive. Larry makes a mental note to meet privately with the assistant manager the next morning to find out more.

Picking up the cues...

Though we may lack Larry's finely tuned sensitivity to nonverbal cues, all of us are expert to some degree in the art of reading between the lines. Otherwise, we could hardly understand each other, for social scientists estimate that only about 20 percent of all communication is verbal. The rest consists of thousands of different facial expressions, gestures, body positions and movements that accompany or replace words.

The waitress is making progress. The customer's more relaxed posture and chin-in-hand position signify he is evaluating the waitress' suggestion.

Nonverbal signals work together. It is impossible to pin down an exact meaning for any isolated nonverbal cue. We automatically look for clusters of signals that are consistent with one another, verbal statements and the situation. One basic pattern to check is whether the center of the body is open or closed. A person facing you directly and gesturing easily with palms upwards presents an open center and will probably respond favorably to what you say. One who crosses his arms, buttons his coat, slumps or turns the body partly away has a closed center and perhaps a correspondingly closed mind.

When the nonverbal signals run *counter* to the words, it is time to pay attention. A classic example is the customer who shakes her head slowly from side to side while telling the host or waiter how much she enjoyed the meal.

A knack for interpreting nonverbal cues is invaluable in the restaurant business. Managers can use it to advantage in floor observation of staff and customers. Once made aware of some of the nuances of nonverbal communication, the staff members themselves may be able to smooth out some crinkles in their relations with customers. A greater sensitivity to body language can also be an aid in training and supervising staff. The paragraphs ahead suggest how nonverbal communication can help restaurateurs improve their operations in these areas.

The customer connection...

A cook can storm around the kitchen all he likes, and as long as the soup isn't oversalted or the steak doesn't burn, the customer is indifferent. But the waiter or waitress in a sour mood—ah, that's a different matter. "Waiters slam the food down on the table when they're having a bad day. They probably don't even know they're doing it," says Phyllis Richman, restaurant critic of *The Washington Post*. She is also annoyed by restaurant staff who develop tunnel vision at the precise moment you need them, disrupt conversation by reaching across the table or clear the dishes before the customers have finished eating.

Because such behavior can color a customer's whole perception of the restaurant, employees must be alert to the image they are projecting nonverbally. Nancy Russo, an administrative officer for the American Psychological Association, explains how to be attentive to customers without overdoing it. "The excellent waiter is far enough away so the customer doesn't feel he's hovering but still attentive enough to pick up cues that the customer needs help. He's there if needed and not there the rest of the time."

While serving, wait staff should avoid interrupting the conversation by keeping their movements quiet and unobtrusive (but not *too* much so—a customer who doesn't realize the waiter is at her elbow could gesture expansively and send a tray flying). Their tasks completed, wait staff should retreat several yards so they do not appear to be eavesdropping.

Eye contact is extremely important. Looking directly at the customer giving an order or making a request reassures the person that it will be carried out. Another good practice for wait staff is to scan their tables methodically and often for signs that the customers need help. Too much eye contact at the wrong moment can be a mistake, however. A waitress whose gaze rests absentmindedly for more than a few seconds on a party of guests may give the impression that she is staring.

Customers react more positively to a restaurant when the staff wear pleasant facial expressions. This point seems obvious, but you may be surprised to see how few of your employees actually have such an expression. During a rush period, some may even be scowling at customers. Also, every person has an expression they wear when "in neutral," ranging from a slight smile to a slight frown. Thus, it may help to remind a waiter whose habitual expression is downcast to smile more often.

Picking up customer cues...

Interpreting customer cues is an art, and even the best restaurant staff sometimes miss signals. A customer may try to attract a waiter's attention solely through eye contact, while the waiter waits for her to close the menu before approaching to take the order. Another customer might forget who is serving him and try to catch the eye of another waiter or even the busboy to take a drink order.

Here are some other cues restaurant staff should watch for:

☞ Tense posture or jerky movements. This person may want something but be too shy to ask or may be unhappy. (Of course, the source of the problem could be the dinner partner, not the restaurant!)

How well can you read BODY LANGUAGE?

The situation

1. The customer is telling the waitress, in response to her question, how much he enjoyed the chocolate mousse. Did he really like it? (Customer is leaning back slightly in his chair, away from the waitress, with his hand partially covering his mouth.)

2. The maitre d' is suggesting a wine. Will the customer accept the recommendation? (Customer's legs are crossed, and she is rubbing her nose.)

3. Which trainee is paying close attention to the presentation on serving techniques? (First person is sitting erectly, with expressionless eyes and feet flat on the floor. Second person is sitting towards the edge of his chair, with his body leaning forward slightly and his chin resting in his hand.)

4. Which waiter has the proper posture? (One waiter is standing erectly as he takes an order. The other is bending down slightly in the direction of the customer.)

5. The waitress is bidding the customer good-bye after watching her gather her belongings. Does the customer appreciate her solicitude? (Waitress is standing beside the customer's table.)

What it means

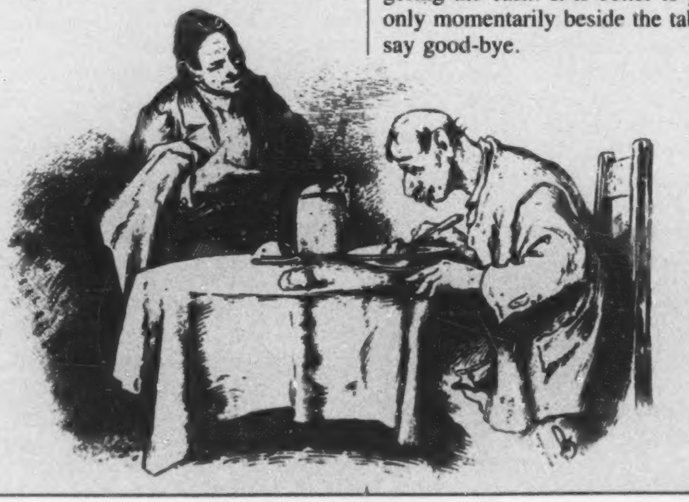
1. The customer probably did not like the dessert. Covering the mouth indicates that his polite response was untruthful. The fact that he is leaning away from the waitress backs up this interpretation.

2. Who knows? Most likely, she has not made up her mind. Experts say that we rarely make a decision when one foot is off the floor. Such gestures as rubbing the nose also signify hesitation to make a commitment. On the other hand, her nose may itch, or she may simply feel more comfortable with her legs crossed.

3. The second trainee is really listening. His chin-in-hand position signifies that he is evaluating the manager's statements; the movement to the edge of the chair shows that he is eager to hear more. The other trainee is using body language that simulates attentiveness, but he has actually tuned out.

4. Neither waiter is behaving improperly, but the second one conveys a more friendly, informal attitude by bending in the direction of the customer. Having someone stand over us makes us feel somewhat at a disadvantage, even in a situation such as this when it is normal for the other person to stand. The waiter who minimizes the height difference by bending demonstrates empathy for the customer. The other waiter's erect stance may be quite appropriate, however, if the restaurant is a formal one.

5. The customer may be able to think of no other reason for the waitress to linger by her table than to pounce on the tip without delay. Even worse is the waitress who rubs her hands together as if in anticipation of fingering the cash. It is better to pause only momentarily beside the table to say good-bye.



Common nonverbal cues

Action	Meaning
crossed arms	defensiveness
crossed legs	nonconcurrence, unreadiness
steepling (fingertips together), leaning back with hands behind head	confidence, superiority
hands on hips	readiness for action
leg over arm of chair	superiority, unwillingness to cooperate
head rotated upwards	superiority
head rotated downwards	submission
hands clasped behind back	guilt, suspicion
unbuttoning coat	openness, friendliness
rubbing nose, resting face in hand, pinching bridge of nose	evaluation, indecision
bringing hand slowly to throat, pinching fleshy part of hand, picking cuticles or nails	need for reassurance, nervousness
short breaths, rubbing back of neck, clenched hands	frustration
hand to ear lobe or hair	desire to interrupt speaker
locked ankles, clenched hands	strong feelings held back
clicking ballpoint pen, thumping heel on floor, jiggling foot	nervousness, impatience, boredom
smoothing hair or skirt, straightening tie	preening gestures associated with courtship
eyebrows up	surprise, fear or recognition
eyebrows down	concern, worry or fear
palms upwards	sincerity
palms downwards	vitality, aggression
oblong smile (lips drawn back from teeth)	insincerity, aggression
touching, fondling inanimate objects	need for understanding, reassurance

☞ Relaxed body position and movements. This person is enjoying the meal and should not be rushed.

☞ Orientation of the body towards the door and impatient gestures, such as tapping the foot. Time to present the check. This customer is ready to leave.

Perhaps the most telling nonverbal clues to customer satisfaction are the size of the tip and the amount of food left on the plate. If the first is typically small and the second is large, find out why.

Managing nonverbally...

Heightened awareness of body language can help managers both control their own signals better and evaluate the attitudes and reactions of employees. People who demonstrate leadership generally use body language that is purposeful, not aimless. Steepling (placing the fingertips together), hands on hips and a relaxed but erect stance are examples of body language that conveys a sense of self-confidence and authority.

An interesting study by Wendy McKenna and Florence Denmark, two social psychologists, showed that women generally use more of the gestures associated with submission to authority: smiling, nodding, holding the arms close to the body and keeping the legs together. When, as part of an experiment, the women adopted more relaxed, asymmetrical body positions and smiled less frequently, people assumed they had higher business status.

In communicating an air of authority, of course, managers should stop short of intimidating employees. Shaking a finger at an employee or clenching the fists is almost never justified. Even seemingly innocuous movements can reveal an overbearing manner. The manager who puts an arm around the shoulders of an employee (especially a female) or slouches in a chair when visiting the office of a subordinate is signaling, "I'm your boss, and I can behave however I like regardless of your feelings." Standing over an employee can also make him feel threatened. In training someone to perform a task, it is better to remain at a distance and give your critique afterwards rather than to hover anxiously.

Standing in front of the group during a training session or staff meeting lets employees know that you are in charge and wish to keep status distinctions clear. To create a more informal atmosphere, sit with employees around a table or move up and down the aisle while conducting the session. Regardless of the management style chosen, you should lean towards listeners while talking, use a variety of purposeful gestures and have a lively facial expression.

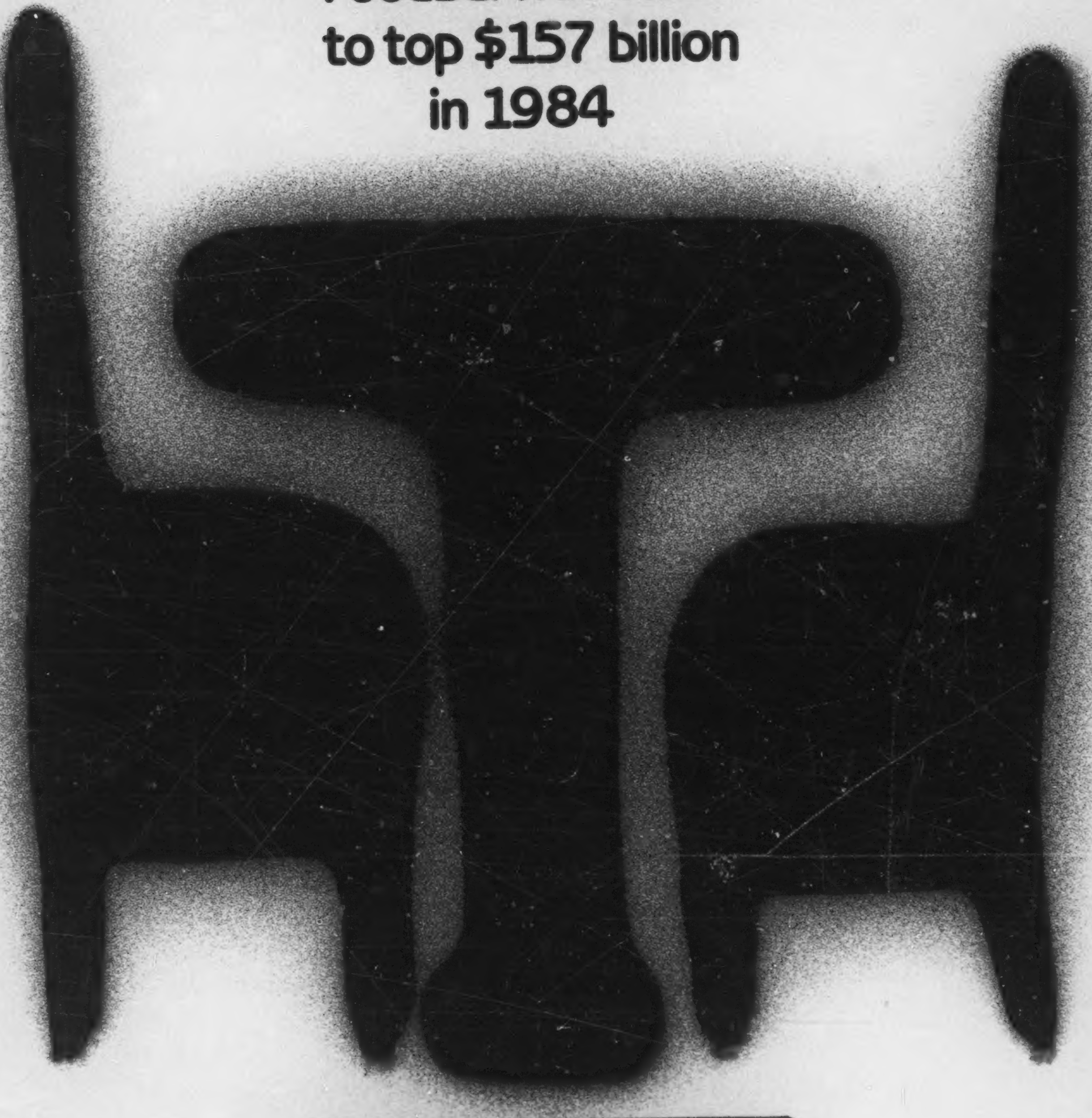
Reading employee reactions is vital, for it is one way to gauge the effectiveness of your presentation. The interested person will lean forward in the seat, perhaps taking notes or touching a finger or pen to the lips. When the talk is not going well, employees may slump in their chairs, lean away, cross their arms, frown or furrow their brows.

Being alert to "interrupt gestures" will help you allow ample opportunity for questions and discussion. These gestures are remnants of the schoolday habit of raising the hand for permission to ask a question or express an opinion. The hand may go up into the air a few inches and then fall back into the lap, or it may instead touch the hair or pull the ear lobe. The manager who notices such gestures can draw out questions or comments that an employee might otherwise be too shy or unassertive to offer.

If you are bold enough, initiate a discussion of nonverbal communication by offering employees a chance to analyze your body language. You may learn more than they do from the exercise. ❑

A Glowing Year Ahead

Foodservice sales to top $157 billion in 1984



1984 NRA Forecast

HIGHLIGHTS

1983-1984

NRA's 1984 industry forecast projects another good year, with real sales continuing to show substantial growth and menu prices rising modestly.

Foodservice industry sales are projected to reach $157.0 billion in 1984—an increase of 8.9 percent over 1983.

Real sales, adjusted for inflation, should advance 3.5 percent—slightly below the 3.7 percent increase recorded in 1983.

Performance will vary by industry segment. Real sales in the **Commercial Feeding Group** are forecast to rise 4.0 percent while the **Institutional Feeding Group** should record somewhat slower growth—1.0 percent.

Airline contract feeders and **airlines providing their own foodservice** are projected to post the largest real sales growth in the industry in 1984—7.2 percent and 6.6 percent, respectively.

Fast food restaurants will continue to post impressive sales gains in 1984 with real sales up 5.4 percent.

Eating places, which account for approximately 60 percent of total industry sales, are expected to record sales growth of 9.8 percent in 1984, reaching $96.7 billion.

Eating places will post impressive real sales growth of 4.5 percent in 1984, the result of a strong economy, rising employment and continued low rate of inflation.

Higher food prices, primarily late in the year, will cause **menu prices** to rise 5.3 percent in 1984, compared with lower menu price inflation of 4.3 percent in 1983.

The information contained in this report was prepared in consultation with the research firm Malcolm M. Knapp, Inc.

Industry sales will total $157 billion in 1984

"NRA projects foodservice industry sales will total $157 billion in 1984—a gain of 8.9 percent over 1983's $144.2 billion level," announced NRA Chairman of the Board and President Joe R. Lee. Sales, unadjusted for inflation, should increase by $12.8 billion in 1984, compared with the $10.9 billion advance recorded in 1983.

"Real sales, adjusted for inflation, continue to post significant gains," Lee reported. The industry will record real sales growth for four consecutive years, an improvement over the real sales declines of 1979 and 1980. In 1984, real sales for the foodservice industry will be up 3.5 percent, following advances of 3.7 percent in 1983, 1.1 percent in 1982 and 0.5 percent in 1981.

NRA's forecast for strong real sales gains is based on robust economic growth during 1984 along with moderate inflation, rising consumer incomes and a bright employment picture. However, large federal budget deficits and the threat of high interest rates could dampen economic growth and mitigate sales advances for the foodservice industry.

Food and drink sales in the Commercial Feeding Group, which accounts for 85 percent of total foodservice industry sales, should equal $133.9 billion in 1984—up 9.3 percent from the prior year. This compares favorably with the somewhat slower 8.7 percent increase recorded in 1983. Real sales in the commercial sector will continue to post significant gains—up 4.0 percent in 1984 versus 4.3 percent in 1983 and 1.3 percent in 1982.

Foodservice sales in the Institutional Feeding Group should record real sales growth of 1.0 percent in 1984, up slightly from the 0.6 percent advance in 1983 and a considerable improvement over the 0.4 percent decline in 1982.

Food and drink sales in the Military Feeding Group are expected to post strong real growth in 1984—up 3.7 percent.

Menu prices should rise somewhat faster in 1984 than in 1983 due to slightly higher food and overhead expenses. Prices for food away from home will be up 5.3 percent in 1984, compared with a gain of only 4.3 percent in 1983.

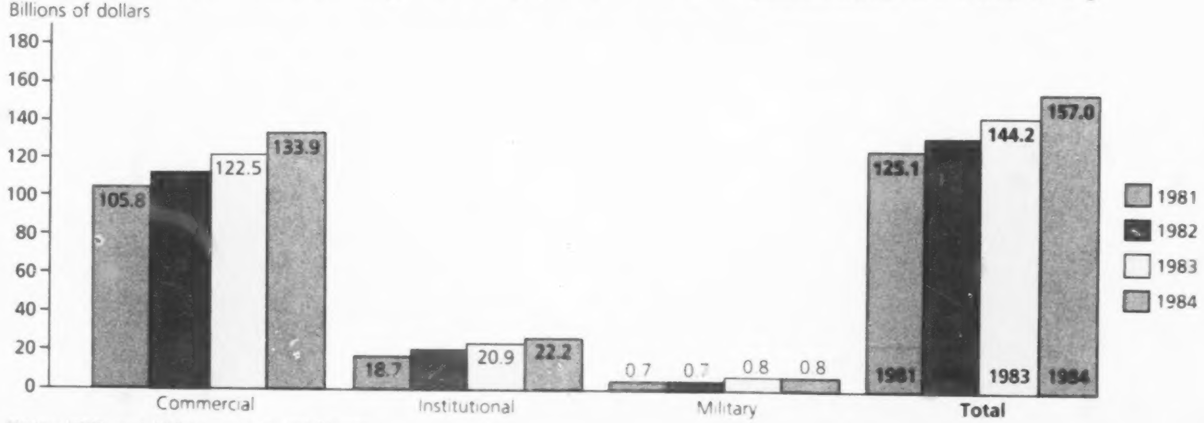
What's in this report. . .

The following sections of this report examine in some detail

- the economic climate for foodservice in 1983 and 1984
- consumer expectations in 1984
- the legislative and regulatory environment for restaurants in 1984
- operator response to the challenges facing them in 1984
- the outlook for such segments of the industry as eating places, lodging places, educational feeding, employee feeding, transportation feeding, health care feeding, recreational feeding, retail hosts and military feeding and
- a brief look into what the industry can expect beyond 1984.

The "background" section at the end of this report contains technical details which may interest some readers. It should be noted here, however, that this forecast does not pretend accuracy to the decimal point shown. These precise figures, rather than ranges, are given for the sake of convenience.

Foodservice industry sales, 1981-1984 (billions of dollars)



Note: 1983 and 1984 are projected figures

1983's economic recovery was good for the industry. . .

In 1983 the U.S. economy grew at a very rapid pace, following one of the worst recessions in this nation's history. Consumers' confidence in their short-term and long-term financial outlook reached new highs, and this resulted in increased consumer spending. Industrial production rose as the nation's manufacturers rushed to supply the needed autos, houses and appliances that Americans had wanted to buy but had foregone due to their poor financial situations. In addition, inflation continued to moderate, rising by about 3.4 percent in 1983 compared with significantly larger advances of 6.8 percent in 1982 and 9.6 percent in 1981.

Unemployment began to decline as corporations started recalling laid-off workers and hiring new ones. Interest rates declined slightly, and consumers were more amenable to making large credit purchases for houses, autos and even vacations.

The restaurant industry was a prime beneficiary of the improving economy. Traffic at the nation's eating places rose during the first three quarters of 1983, and indications are that it will continue to increase during the final months. Breakfast easily captured the number one spot in terms of increased traffic counts. Dinner traffic continued strong, and traffic for the mid-day meal showed marked improvement over 1982 levels.

Fast food and family restaurants continued to do well, as consumers—still careful about their eating out expenditures—frequented these establishments. Atmosphere/specialty restaurants posted their best performance in the second half of 1983 when consumers began to feel much better about their financial situations and opted to trade up to expensive eating places.

All this resulted in the industry's best real sales performance since 1977 and has set the stage for continued growth in 1984.

The economic climate in 1984: healthy and growing. . .

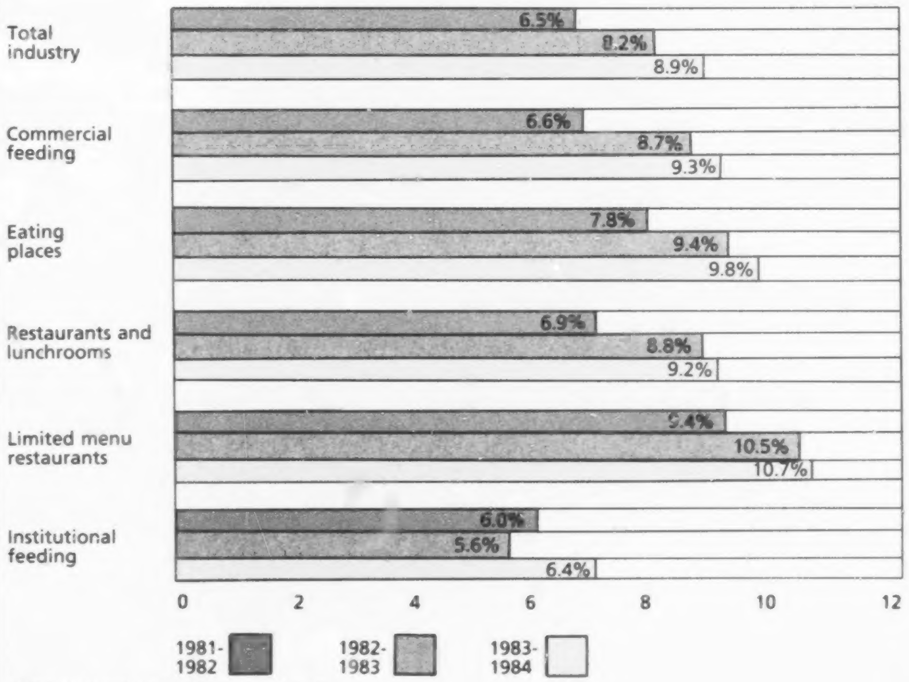
The consensus forecast for 1984 indicates that the U.S. economy will grow at a robust rate, and the strong recovery begun in 1983 will continue. Real Gross National Product (GNP) will advance a healthy 5.3 percent in 1984, equalling 1977's gain of 5.3 percent. Inflation will rise at a slightly faster pace in 1984 than in 1983—5.0 percent versus 3.4 percent. Higher food prices, particularly near the end of the year, along with higher housing and energy costs will put some upward pressure on consumer prices. However, the overall advance in inflation will be considerably below the 6.8 percent and 9.6 percent gains in 1982 and 1981 and well below the double digit increases experienced in 1979 and 1980.

Consumers are earning more, and personal income is expected to increase 9.5 percent in 1984.

In spite of higher Social Security, state and local taxes, economic forecasters expect real disposable income (adjusted for inflation) to be up 4.6 percent in 1984—considerably higher than the 3.4 percent advance in 1983.

The number of people who are unemployed will continue to decline in 1984. Industrial production began rising in 1983 and is expected to continue at a healthy pace in 1984. This means manufacturers have and will be calling back laid-off workers and even hiring new employees. However, the nation's unemployment rate will remain at a historically high figure because the so-called smokestack industries (autos, steel, tires) will not have jobs for many

Percent change in sales
(current dollars)



Note: 1983 and 1984 are projected figures laid-off workers. The nation's unemployment rate will average 8.5 percent in 1984, down 1.2 percentage points from 1983's 9.7 percent rate.

The nation's factories will be busy producing much needed goods in 1984. Industrial production will be up 9.3 percent, compared with an increase of 6.3 percent in the prior year. Housing starts will equal about 1.8 million units, approximating 1983's figure of 1.7 million. Pent-up demand for automobiles will result in increasing numbers of new car sales—10.4 million in 1984 on top of 9.2 million in 1983. In addition, this pick-up in housing starts and car sales will fuel increased activity in other industries, such as furniture, appliances, tires and auto parts.

The negative factors facing the U.S. economy in 1984 are high interest rates and large federal budget deficits, both of which could dampen economic growth. However, the economy in 1983 has been able to grow at a very robust pace in spite of these factors, and the consensus is that this will also be true in 1984. The large number of unemployed persons could also be considered a negative factor in 1984, but most economists do not believe that this will seriously dampen consumer spending and economic growth. Prior years' experience has led many to the conclusion that it is the fear of being unemployed which is more detrimental to growth. With the unemployment rate dropping, people are less and less afraid that they will find themselves without a job.

All in all, the economic climate in 1984 should be healthy, and this is good news to the foodservice industry.

Consumer optimistic in 1984

Consumers are optimistic about their futures. Rising incomes, relatively low inflation and declining unemployment brighten the outlook for most households. As mentioned in the preceding section, real disposable income is forecast to rise 4.6 percent in 1984, compared with a slower 3.4 percent gain in 1983.

Consumers are now poised to spend. Pent-up demand for many goods and services will result in strong retail sales in 1984. In particular, consumers will be purchasing appliances and furniture for new homes or to redecorate old ones. New cars will be purchased as the public rushes to replace old automobiles.

The picture also looks bright for spending on non-durable items such as restaurant meals. A recent survey conducted by the Gallup Organization for the NRA revealed that four out of 10 people want to eat out more often than they are now doing, and most of these would like to dine in restaurants one or two more times a week. Thus, with rising incomes and improved consumer sentiment, many of these consumers will be able to fulfill their wishes.

Restaurant patrons will continue to expect and demand quality from the establishments they visit in 1984. They want good food, friendly service and pleasant and clean surroundings. And, of course, they want value for their dollar. These people are also looking for convenience. The meal out is more often a necessity with today's not-so-traditional households. As a result, patrons want restaurants close to home, work and shopping, and they want fast and efficient service.

In 1984 consumers will continue to be interested in health and nutrition. Research conducted by the National Restaurant Association disclosed that many patrons, four out of 10, have changed their away-from-home eating habits by either increasing their consumption of fruits, vegetables and whole grains or by decreasing their consumption of refined sugar, animal fats or salt. In particular, these people report they are using less salt; ordering more fish, vegetables, salads and poultry and ordering less red meat, fried foods and starches.

All in all, restaurateurs can expect increased traffic and increased sales in 1984. Restaurant patrons will likely dine out more frequently than in prior years, and they will spend more. These customers will be more demanding, and they will expect to find good, healthy food along with friendly service, pleasant surroundings and value for the dollar when they dine away from home.

The legislative and regulatory environment in 1984: complex. . .

The foodservice industry in 1984 will be operating in a complex environment. Our industry must comply with laws and regulations at the federal, state and local levels. These laws and regulations mandate how much restaurateurs must pay their employees, which

What consumers expect when they dine away from home

1. A clean restaurant
2. Clean rest rooms
3. Good tasting food
4. Food served at the appropriate temperature
5. Food with a pleasing appearance
6. Fresh raw ingredients used in preparation
7. Food cooked as requested
8. A comfortable temperature in the dining area
9. Being greeted with a smile
10. Comfortable chairs
11. Food garnished as requested
12. Order filled promptly
13. Questions to determine if anything else is wanted or needed
14. A variety of menu choices
15. No delays in being seated or served
16. Questions to determine if the meal was satisfactory
17. A quiet eating atmosphere
18. Attractive room decorations
19. Information about when the order will be ready
20. Name tags for service staff

Source: Based on results of a telephone survey of 1,000 adults conducted for the National Restaurant Association in August 1982.

The foodservice industry—food and drink sales projected to 1984

	1981 Estimated F&D sales (000)	1983 Projected F&D sales (000)	1984 Projected F&D sales (000)	1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
GROUP I—Commercial feeding[1]						
Eating places						
Restaurants, lunchrooms	$ 39,324,429	$ 45,719,969	$ 49,932,552	9.2%	3.9%	8.3%
Limited menu restaurants, refreshment places	30,809,321	37,244,464	41,229,622	10.7	5.4	10.2
Commercial cafeterias	2,315,442	2,588,816	2,806,276	8.4	3.1	6.6
Social caterers	806,206	837,068	881,433	5.3	0.0	3.0
Ice cream, frozen custard stands	1,419,716	1,671,153	1,841,611	10.2	4.9	9.1
Total eating places	$ 74,675,114	$ 88,061,470	$ 96,691,494	9.8%	4.5%	9.0%
Bars & taverns	8,321,422	9,218,055	9,844,883	6.8	1.5	5.8
Total eating & drinking places	$ 82,996,536[2]	$ 97,279,525	$ 106,536,377	9.5%	4.2%	8.7%
Food contractors						
Manufacturing & industrial plants	$ 2,299,688	$ 2,390,315	$ 2,571,979	7.6%	2.3%	3.8%
Commercial & office buildings	669,127	755,734	816,948	8.1	2.8	6.9
Hospitals & nursing homes	902,408	1,022,555	1,091,066	6.7	1.8	6.5
Colleges & universities	1,271,069	1,547,788	1,677,802	8.4	0.4	9.7
Primary & secondary schools	657,108	733,365	761,233	3.8	−1.5	5.0
In-transit feeding (airlines)	532,190	652,962	734,582	12.5	7.2	11.3
Recreation & sports centers	1,011,926	1,155,821	1,266,780	9.6	4.3	7.8
Total food contractors	$ 7,343,516	$ 8,258,540	$ 8,920,390	8.0%	2.2%	6.7%
Lodging places						
Hotel restaurants	$ 4,817,757	$ 5,435,136	$ 5,946,039	9.4%	4.1%	7.3%
Motor hotel restaurants	854,525	949,412	1,034,859	9.0	3.7	6.6
Motel restaurtants	1,461,034	1,572,119	1,715,739	9.1	3.8	5.5
Total lodging places	$ 7,133,316	$ 7,956,667	$ 8,696,637	9.3%	4.0%	6.8%
Retail host restaurants[3]	3,560,163	3,988,329	4,323,349	8.4	3.1	6.7
Recreation & sports[4]	1,490,506	1,684,985	1,829,894	8.6	3.3	7.1
Mobile caterers	495,890	529,474	572,891	8.2	2.9	4.9
Vending & non-store retailers[5]	2,734,406	2,811,013	3,038,705	8.1	2.8	3.6
TOTAL GROUP I	**$105,754,333**	**$122,508,533**	**$133,918,243**	**9.3%**	**4.0%**	**8.2%**
GROUP II—Institutional feeding—business, educational, government or institutional organizations which operate their own foodservice						
Employee feeding[6]	$ 1,761,674	$ 1,809,594	$ 1,936,266	7.0%	1.7%	3.2%
Public & parochial elementary and secondary schools	2,364,450	2,574,827	2,628,898	2.1	−3.2	3.6
Colleges & universities	2,535,561	3,045,716	3,286,328	7.9	−0.1	9.0
Transportation	647,162	788,317	882,127	11.9	6.6	10.9
Hospitals[7]	7,182,733	8,039,741	8,546,245	6.3	1.4	6.0
Nursing homes, homes for aged, blind, orphans, mentally & physically handicapped[8]	2,549,132	2,834,508	3,018,751	6.5	1.6	5.8
Clubs, sporting & recreational camps	1,279,450	1,492,349	1,620,691	8.6	3.3	8.2
Community centers	356,501	320,478	332,656	3.8	−1.5	−2.3
TOTAL GROUP II	**$ 18,676,663**	**$ 20,905,530**	**$ 22,251,962**	**6.4%**	**1.0%**	**6.0%**
TOTAL GROUP I & II	**$124,430,996**	**$143,414,063**	**$156,170,205**	**8.9%**	**3.5%**	**7.9%**
GROUP III—Military feeding[9]						
Officers & NCO clubs ("Open Mess")	$ 436,047	$ 514,982	$ 563,905	9.5%	4.2%	9.0%
Foodservice—military exchanges	228,296	259,303	280,306	8.1	2.8	7.1
TOTAL GROUP III	**$ 664,343**	**$ 774,285**	**$ 844,211**	**9.0%**	**3.7%**	**8.3%**
GRAND TOTAL	**$125,095,339**	**$144,188,348**	**$157,014,416**	**8.9%**	**3.5%**	**7.9%**

Footnotes:

[1] *Data are given only for establishments with payroll.*

[2] *Food and drink sales for nonpayroll establishments totaled, $2,569,542,000 in 1981.*

[3] *Includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants and miscellaneous retailers.*

[4] *Includes drive-in movies, bowling lanes, recreation and sport centers.*

[5] *Includes sales of hot foods, sandwiches, pastries, coffee and other hot beverages.*

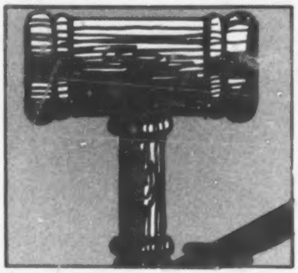
[6] *Includes industrial and commercial organizations, seagoing ships and inland waterway vessels.*

[7] *Includes voluntary and proprietary hospitals, long-term general, TB, nervous and mental hospitals and sales or commercial equivalent to employees in state and local short-term hospitals and federal hospitals.*

[8] *Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in this category make no charge for food served either in cash or in kind.*

[9] *Continental U.S. only.*

employees can serve alcoholic beverages, what hours the operation should be open and how to comply with sanitation and safety standards. In 1984, the scope of many of these laws and regulations will depend on the mood of federal and state legislators and the activities of many consumer groups.



The primary issues facing the foodservice industry in the near future include

- labor issues, such as minimum wage and tip credit
- liquor issues, such as third-party liability and minimum drinking age
- tax issues, such as tip reporting requirements and the deductibility of the business meal
- smoking/non-smoking issues
- truth-in-menu issues
- use of additives and preservatives as well as
- sanitation.

Some of these issues can have a direct effect on restaurant sales, such as the tax-deductible business meal. Others can affect the cost of doing business, such as minimum wage rates and the tip credit allowance. Still others are likely to have an effect on employee relations, such as tip income reporting requirements.

Restaurateurs in 1984: meeting the challenges. . .

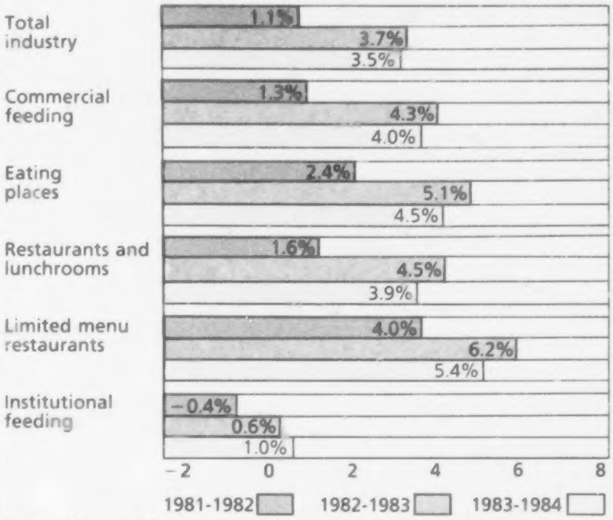
Restaurant operators are prepared to meet the challenges and opportunities facing them in 1984. Consumer needs and desires, along with operator plans to find profitable market niches, will be the major forces behind the changes in the industry in 1984. Restaurateurs will be offering new menu items, redecorating their restaurants, developing new restaurant concepts, placing increased emphasis on quality and designing new promotion and advertising campaigns.

The public's interest in health and nutrition will lead to increased offerings of light and natural foods, more whole grain breads and less salt and fats used in food preparation.

Ethnic food items will continue to be popular. A recent NRA consumer survey revealed that Italian, Chinese, Mexican, French and Japanese are five of the most popular ethnic foods in restaurants. These foods will probably retain their popularity as many consumers reported they will continue to order ethnic dishes in restaurants and would try more such dishes if they were available.

Operators will be adding new items to their menus to take advantage of these consumer preferences. At the same time, they will closely examine their offerings and eliminate items that are poor sellers and that do not complement their concept.

Restaurateurs will be redecorating their establishments in response to changing demographic patterns. Fewer children and an aging population will result in a more adult atmosphere. Chairs will be comfortable, decor will be more natural looking with plenty of light and live plants, and the restaurant will be quieter. All this will make the place more inviting to customers who want the meal to be relaxing and enjoyable.


Percent change in sales
(constant dollars)

Note: 1983 and 1984 are projected figures

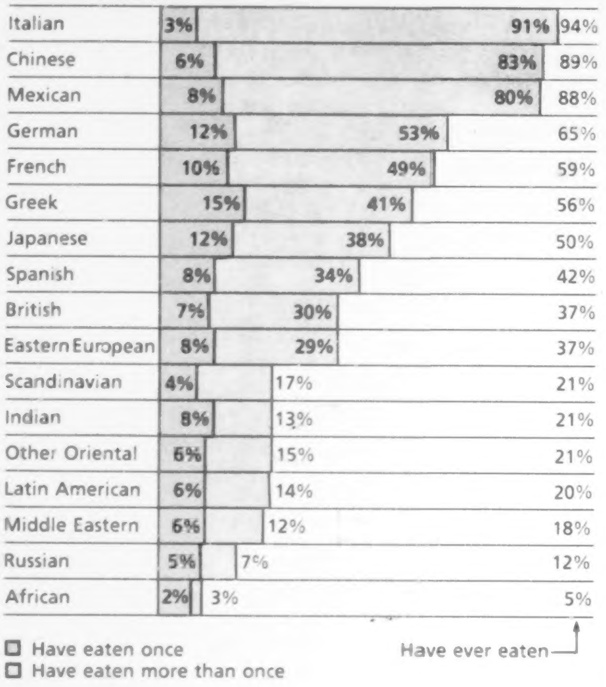
Fast food concepts will be repositioned. . .

Restaurant operators will be taking traditional fast food concepts and repositioning them as upscale restaurants. Hamburgers are being sold in a non-fast food atmosphere with patrons having the option of ordering alcoholic beverages with the meal. Upscale chicken places will feature baked chicken and chicken served with herbs and spices. Italian-oriented restaurants will focus on veal, chicken and exotic pasta dishes in addition to pizza, spaghetti and lasagne. In addition, some restaurant chains will be developing new concepts that are different from their original concept to take advantage of current trends. For example, fast food chains are opening up full service Mexican restaurants.

Consumers continue to be quality and value conscious. In response to this trend, operators will strive to provide quality food and service at a fair price. Restaurateurs will use fresh ingredients when preparing foods, and they will focus on training their staffs to be hospitable.

The focus of restaurant advertising and promotions will be changing in 1984. Marketing and brand differentiation will play larger roles than in past years. Some chains will use advertising to show how their establishments are different from their major competitors. Others will use advertising to show what they do best. Restaurants will continue to use promotions to attract new and repeat business, but the type of promotion is changing. Fewer coupons will be ad-

Popularity of ethnic food in restaurants



Source: Based on results of a telephone survey of 800 adults conducted for the National Restaurant Association in August-September 1983

vertised, and more offers which stress value will be visible—all-inclusive meals, early bird specials, two-for-one deals. In addition, premium offers will continue to be popular, especially within the fast food segment. Other promotions will be designed to attract customers to dine at establishments for a specific meal period or on a specific day of the week when the objective is to build traffic and sales.

Entertainment will continue to be a part of the eating out experience, especially at places that cater to children and teenagers and feature animated characters and video games. Video pizza places, the pioneers of this concept, will be looking for new animated characters, new video games and new computer technologies. However, they plan to turn more of their attention to operational issues, such as improving the quality of the food and service.

Restaurateurs will continue to search for ways to increase sales and profits in 1984. Many full service restaurants will opt for offering take out service. Gourmet take out meals will grow increasingly popular as they directly serve the convenience needs of patrons. Also, operators can initiate take out service with little or no additional labor and investment expenses. The dual retail concept where restaurants operate in conjunction with bookstores, bakeries, fish markets, butcher shops, wine shops and delis will also continue to be popular in 1984. Restaurateurs can use this vehicle to market some of their specialty items, such as breads, salad dressings and desserts.

As in prior years, restaurant owners and managers will continue to focus on controlling costs and increasing worker productivity. The ever-increasing competition means pricing will become more important. Operators who can minimize their menu price increases and maintain quality food and quality service will be more successful in maintaining and increasing traffic counts and sales.

All in all, the restaurateur in 1984 will be focusing on meeting patron expectations by providing good food, friendly service and value for the dollar.

Menu prices to rise 5.3 percent. . .

Menu prices are projected to rise 5.3 percent in 1984, versus 1983's lower 4.3 percent gain. This estimate is based on the probability that increases in the cost of food away from home will be lower at the beginning of 1984 but will rise toward the end of the year. Food prices, especially red meat prices, are expected to advance during the second half of the year due to the aftereffects of 1983's summer drought. Also, labor and overhead costs will probably rise as the economy improves and consumer demand increases.

Wholesale food prices are expected to advance 4.5 percent next year, compared with an unusually low rise of 0.8 percent in 1983. Lower supplies of beef and pork in the second half of 1984 will result in higher prices for these commodities, adding to the overall increase in wholesale food costs.

Labor costs are expected to rise moderately in 1984—4.7 percent. An abundant labor supply and moderate inflation should help keep payroll costs down. Other operating costs, including energy, are projected to advance at the same rate as overall inflation—5.0 percent.

These basic cost increases, along with operator concern for improving profit margins, will lead to increased menu prices. If less effort is made to boost margins, menu price increases may be even more moderate in 1984.

The bottom line is that larger advances in menu prices in 1984 will result in slightly lower real sales growth for the industry than in 1983.

Eating places in 1984—sales up 9.8 percent, real growth 4.5 percent. . .

Due to an improving economy, NRA projects sales at eating places, which account for 61.6 percent of foodservice industry sales, will experience significant gains in 1984. The 1984 forecast is heavily influenced by the growing confidence of consumers in the economy and their individual financial situations. Expected gains in consumer spending for all goods and services, increases in disposable income and a continuing slow decline in the rate of unemployment are

Eating place sales projected to 1984

	Estimated food and drink sales (000)					1981-1984 Compound annual growth rate
	1981	1983	1984	1983-1984 Percent change	1983-1984 Percent real growth change	
Restaurants, lunchrooms	$39,324,429	$45,719,969	$49,932,552	9.2%	3.9%	8.3%
Limited menu restaurants	30,809,321	37,244,464	41,229,622	10.7	5.4	10.2
Commercial cafeterias	2,315,442	2,588,816	2,806,276	8.4	3.1	6.6
Social caterers	806,206	837,068	881,433	5.3	0.0	3.0
Ice cream, frozen custard stands	1,419,716	1,671,153	1,841,611	10.2	4.9	9.1
Total eating places	$74,675,114	$88,061,470	$96,691,494	9.8%	4.5%	9.0%

several major factors contributing to the optimistic outlook for 1984. However, the public will probably continue to react strongly to short-term economic news, and, as a result, monthly sales may fluctuate widely—just as they have in recent years.

As the economy strengthens, consumers should begin to travel more often and generally allocate more income toward leisure time activities, particularly dining away from home. Improved business travel and increased attendance at conventions will also aid eating place sales.

Based on these general economic trends, eating place sales are projected to total almost $96.7 billion in 1984, up 9.8 percent over 1983. This growth rate is still below the 12.1 percent annual growth rate recorded during the 1970s, but is above the 9.0 percent annualized rate of gain registered between 1981 and 1984.

Real sales, adjusting for menu price inflation, should rise 4.5 percent in 1984. NRA's forecast for this relatively substantial growth is based on moderate inflation, an improving economy and the continuing desire of consumers to eat away from home. The 1984 projection for inflation-adjusted sales is slightly below 1983's real growth of 5.1 percent. This is due primarily to 1983's lower menu price increase, which was the result of unusually low food costs. Even so, 1983's real growth is significantly above 1982's reported 2.4 percent gain and 1981's 1.3 percent increase.

One of the premises of the NRA 1984 forecast is that the gain in real eating place sales will approximate the expected growth in real disposable income—4.6 percent. This is an improvement over 1983 when real eating place sales growth lagged behind gains in real disposable income. The brighter outlook is due to "pent-up" demand for dining away from home as well as consumers trading up to higher priced restaurants as their financial situations improve.

Fast food continues to post strong growth. . .

Among eating places, *limited menu restaurants* should continue to maintain their number one spot in terms of both real and nominal percentage gains. Limited menu restaurants should experience sales of $41.2 billion, a 10.7 percent increase over 1983. This is slightly higher than the 10.5 percent increase posted during 1983. Real sales in this category are projected to rise 5.4 percent in 1984, versus a somewhat stronger 6.2 percent reported one year earlier. Sales for this very important sector of the industry will be affected by several factors.

- New unit construction will continue to be a means of increasing sales and market share for fast food companies.
- Limited menu restaurants will continue to advertise heavily in the electronic media, emphasizing individual concepts and brands.
- Fast food establishments will continue to provide convenience and speedy service—still a major concern for many consumers. Convenience stores, however, are competing strongly with fast food restaurants in this area.
- The upscaling of food and service for particular meal periods at fast food places is a growing trend. The gourmet burger (hamburgers topped with mushrooms, imported cheese, ham or bacon) is one example.
- The customer mix is changing. Less affluent individuals are and will be returning to fast food establishments because of their improved financial situations. However, more affluent customers are trading up to family and upscale restaurants, which they frequented less often during the recession.

Restaurant sales to grow 9.2 percent. . .

Restaurants, the largest eating place category, should have a good year in 1984 and post sales of almost $50 billion—a 9.2 percent advance. This compares with a smaller 8.8 percent gain in 1983. In real terms, restaurant and lunchroom sales should grow 3.9 percent in 1984, versus a slightly stronger 4.5 percent one year earlier.

The improving economy should substantially boost sales at restaurants and lunchrooms as increasingly

Lodging place sales projected to 1984

	Estimated food and drink sales (000)					
	1981	1983	1984	1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
Hotel restaurants	$4,817,757	$5,435,136	$5,946,039	9.4%	4.1%	7.3%
Motor hotel restaurants	854,525	949,412	1,034,859	9.0	3.7	6.6
Motel restaurants	1,461,034	1,572,119	1,715,739	9.1	3.8	5.5
Total lodging places	$7,133,316	$7,956,667	$8,696,637	9.3%	4.0%	6.8%

Employee feeding sales projected to 1984

	Estimated food and drink sales (000)					
	1981	1983	1984	1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
Food contractors						
Manufacturing & industrial plants	$2,299,688	$2,390,315	$2,571,979	7.6%	2.3%	3.8%
Commercial & office buildings	669,127	755,734	816,948	8.1	2.8	6.9
Institutional						
Employee feeding*	1,761,674	1,809,594	1,936,266	7.0	1.7	3.2
Total employee feeding	$4,730,489	$4,955,643	$5,325,193	7.4%	2.2%	4.0%

*Includes sales for industrial and commercial organizations, sea-going ships and inland waterway vessels.

optimistic consumers begin to trade up and dine out more often. Customers seem to be concerned with three basic components when eating away from home: excellent service, food quality and a good price/value relationship. Restaurants that emphasize these factors should experience increased sales and continued growth.

Another factor that may boost restaurant sales is the increasing number of management and culinary school graduates who will contribute innovative and technical ideas. New concepts will give consumers the variety and quality food they are seeking.

The overall increase in the restaurant segment would be even better if the outlook for international tourism were brighter for 1984. The relative strength of the dollar may continue to make traveling in the U.S. more expensive for most foreign visitors. The number of Canadian travelers is expected to grow, however, which should add to restaurant sales.

Commercial cafeterias to experience significant growth. . .

Commercial cafeterias are expected to experience significant growth in 1984 with nominal sales rising 8.4 percent to $2.8 billion. Real sales are expected to jump 3.1 percent. An increase in the number of units and more aggressive marketing strategies have contributed to the optimistic outlook.

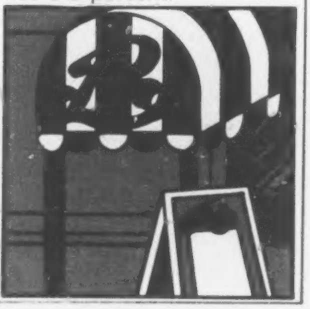
Social caterers are expected to reverse their long period of declining real sales and break even in 1984. Nominal sales should increase 5.3 percent to $881 million. Although the picture is brightening for this category, hotels and restaurants as well as individuals operating catering services out of their homes continue to provide a great deal of competition.

Ice cream and frozen custard stands should post the second best performance in the eating place group. Real sales are projected to rise 4.9 percent, while nominal sales should advance 10.2 percent to $1.8 billion in 1984. Public interest in gourmet ice cream continues to be a strong factor in this segment and has helped boost overall sales.

Lodging place sales to rise 9.3 percent. . .

Food and drink sales at *lodging places* are predicted to rise 9.3 percent in 1984, totaling almost $8.7 billion. Real sales, adjusted for inflation, are projected to advance 4.0 percent. Although occupancy rates have not advanced substantially, gains in the number of units and plans for new construction should help boost overall sales in this segment. Improved commercial air travel, increased convention attendance, more aggressive marketing of weekend packages and cross promotional ties with airlines will also contribute to sales gains in 1984.

Hotel restaurants, the largest component of the lodging place segment, are expected to experience the most rapid growth in this category—9.4 percent in nominal sales and 4.1 percent in real sales. *Motel restaurants* should also post a significant increase—9.1 percent—due to growth in vacation and pleasure travel. Real sales for this segment are expected to rise 3.8 percent.



Educational feeding sales projected to 1984

	Estimated food and drink sales (000)					
	1981	1983	1984	1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
Colleges & universities						
Contractors	$1,271,069	$1,547,788	$1,677,802	8.4%	0.4%	9.7%
Institutional	2,535,561	3,045,716	3,286,328	7.9	−0.1	9.0
Subtotal	$3,806,630	$4,593,504	$4,964,130	8.1%	0.1%	9.3%
Primary & secondary schools						
Contractors	657,108	733,365	761,233	3.8	−1.5	5.0
Institutional	2,364,450	2,574,827	2,628,898	2.1	−3.2	3.6
Subtotal	$3,021,558	$3,308,192	$3,390,131	2.5%	−2.8%	3.9%
Total educational feeding	$6,828,188	$7,901,696	$8,354,261	5.7%	−1.1%	7.0%

Transportation feeding sales projected to 1984

	Estimated food and drink sales (000)					
	1981	1983	1984	1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
In-transit feeding—commercial airlines	$ 532,190	$ 652,962	$ 734,582	12.5%	7.2%	11.3%
Transportation*	647,162	788,317	882,127	11.9	6.6	10.9
Total transportation feeding	$1,179,352	$1,441,279	$1,616,709	12.2%	6.9%	11.1%

*Includes sales on airlines, passenger/cargo liners and railroads.

Sales for employee feeding projected to total $5.3 billion. . .

Food and drink sales in the employee feeding category are projected to total $5.3 billion in 1984—a gain of 7.4 percent over one year earlier. Real sales in this segment are expected to rise 2.2 percent. Food contractor sales at *commercial and office buildings* should record the strongest advance—8.1 percent—with real sales expected to increase 2.8 percent. Contributing to this increase is the expected 2.6 percent rise in non-manufacturing employment in 1984. Food contractor sales at *manufacturing and industrial plants* are predicted to rise 7.6 percent, with a 2.3 percent gain in real sales. This is due primarily to a projected 1.8 percent increase in manufacturing employment in 1984.

Institutional foodservice sales in the employee feeding category, which includes *industrial and commercial organizations*, *seagoing ships* and *inland waterway vessels*, are expected to advance 7.0 percent to $1.9 billion in 1984. Contractors continue having success penetrating this market, especially the office segment.

Educational feeding sales to advance 5.7 percent. . .

Foodservice sales in the educational feeding category are expected to advance 5.7 percent to $8.4 billion in 1984. Real sales are predicted to decline slightly, however—1.1 percent—due to almost no enrollment growth in the nation's schools. Enrollment in primary and secondary schools is forecast to drop 1.1 percent in 1984. Enrollment at colleges and universities is expected to stay flat during 1984 due to rising college costs and decreasing numbers of college-age people. In addition, government subsidies continue to be cut back, also contributing to the decline in this area.

Food contractor and institutional sales at *colleges and universities* are forecast to record the strongest gains in the educational feeding category in 1984—8.4 percent and 7.9 percent, respectively. Even so, this is somewhat below the 9.7 percent and 9.0 percent annual growth rates recorded during the three-year period, 1981 to 1984.

Food contractor sales at *primary and secondary schools* are expected to rise 3.8 percent in 1984, with real sales declining 1.5 percent. Sales at primary and secondary schools that operate their own foodservice operations are predicted to rise modestly—2.1 percent. Inflation-adjusted sales, however, are expected to drop 3.2 percent.

Transportation feeding sales expected to reach $1.6 billion. . .

Food and drink sales in the transportation feeding category are projected to reach $1.6 billion in 1984, up 12.2 percent from 1983. Real sales will also experience a large gain—6.9 percent.

In-transit feeding (airlines) by food contractors is expected to show the strongest growth in this category—12.5 percent—with inflation-adjusted sales rising 7.2 percent. Airline traffic is projected to grow 7.5 percent due to the strengthening economy and continued fare discounts and price wars. These factors, along with improved consumer spending, should help boost foodservice sales in this segment.

Recreational feeding sales projected to 1984

	Estimated food and drink sales (000)					1981-1984
	1981	1983	1984	1983-1984 Percent change	1983-1984 Percent real growth change	Compound annual growth rate
Recreation & sports centers Contractors	$1,011,926	$1,155,821	$1,266,780	9.6%	4.3%	7.8%
Non-contractors[1]	1,490,506	1,684,985	1,829,894	8.6	3.3	7.1
Subtotal	$2,502,432	$2,840,806	$3,096,674	9.0%	3.7%	7.4%
Clubs[2], sporting & recreational camps	1,279,450	1,492,349	1,620,691	8.6	3.3	8.2
Total recreational feeding	$3,781,882	$4,333,155	$4,717,365	8.9%	3.6%	7.6%

[1] Includes sales at drive-in movies, bowling lanes and recreation and sports centers

[2] A proportion of food and beverage sales in clubs is business-related

Health care feeding sales projected to 1984

	Estimated food and drink sales (000)					1981-1984
	1981	1983	1984	1983-1984 Percent change	1983-1984 Percent real growth change	Compound annual growth rate
Contractors in hospitals & nursing homes	$ 902,408	$ 1,022,555	$ 1,091,066	6.7%	1.8%	6.5%
Hospitals	7,182,733	8,039,741	8,546,245	6.3	1.4	6.0
Nursing homes	2,549,132	2,834,508	3,018,751	6.5	1.6	5.8
Total health care feeding	$10,634,273	$11,896,804	$12,656,062	6.4%	1.5%	6.0%

Institutional foodservice sales in the transportation feeding category, which includes *airlines, passenger/cargo liners and railroads*, are forecast to advance 11.9 percent in 1984 with real sales growth of 6.6 percent. Most of this gain can be attributed to strengthening air traffic, but cruise ships should show strong increases as well. Railroads may pull the net growth down slightly as they are not expected to grow quite as rapidly as airlines or cruise ships.

Recreational feeding sales predicted to advance 8.9 percent. . .

Foodservice sales in the recreational feeding category are forecast to advance 8.9 percent in 1984, with real sales rising 3.6 percent. Total sales for this industry segment will reach $4.7 billion. This relatively strong performance is due to improving consumer confidence in the economy and increased spending on travel and recreation. Also, the Olympics in Los Angeles during 1984 should heighten general interest in all sports and help boost sales in this area.

Food and drink sales by food contractors at *recreation and sports centers* are expected to post the most rapid growth in this category—9.6 percent—with real sales up 4.3 percent. Attendance at national parks is expected to grow in 1984, contributing to some of this gain. Total sales should reach $1.3 billion in this category.

Non-contractor foodservice sales at *recreation and sports centers,* which include drive-in movies, bowling lanes and recreation and sports centers, should rise 8.6 percent in 1984. Real sales are expected to increase 3.3 percent.

Clubs and sporting and recreational camps that operate their own foodservice are also expected to post an 8.6 percent gain in nominal sales and a 3.3 percent advance in real sales. A large part of this growth is due to an increased use of clubs. However, there could be a slowdown in this sector if Congress changes the tax laws regarding the deductability of club expenses.

Health care feeding sales predicted to total $12.6 billion . . .

Food and drink sales in the health care feeding category are predicted to reach $12.6 billion in 1984, a 6.4 percent increase over 1983. Real sales are expected to rise 1.5 percent. Food contractor sales in *hospitals and nursing homes* are expected to post the largest gain in this category—6.7 percent, with a 1.8 percent advance in real sales. The number of food contractors operating foodservice facilities in nursing homes continues to grow, which should contribute to this relatively strong increase.

Hospitals that operate their own foodservice are the largest component of the health care feeding category and should post $8.5 billion in sales—up 6.3 percent. Inflation-adjusted sales for this segment are expected to show an increase of 1.4 percent. A slowdown in employee growth along with other cost-cutting measures may restrain some of the gains in this category. *Nursing homes*, operating their own foodservice, are expected to record a 6.5 percent gain in nominal sales and a 1.6 percent increase in real sales.

Retail hosts sales expected to rise 8.4 percent. . .

Sales for *retail hosts*, which include foodservice operations in drugstores, department stores and convenience and grocery stores, are expected to advance 8.4 percent in 1984 to reach $4.3 billion. Real sales are predicted to rise 3.1 percent. Traffic is improving at retail stores due to improved consumer confidence, income gains and "pent-up" demand. Convenience stores are also experiencing strong growth due primarily to continuing consumer interest in convenience and saving time. Consequently, this sector is providing increased competition for fast food operations.

Vending and non-store retailers sales should reach $3.0 billion. . .

Food and drink sales by *vending and non-store retailers* are forecast to reach $3.0 billion in 1984, an 8.1 percent gain. Real sales are expected to increase 2.8 percent. Increased employment at factories, along with greater distribution of vending machines in non-factory environments, should contribute to stronger sales in this category.

Foodservice sales by *mobile caterers* are projected to rise 8.2 percent in 1984, with real sales expected to advance 2.9 percent. Food and drink sales in this segment should continue to strengthen as the industrial plant and construction markets improve.

Food and drink sales at community centers to rise 3.8 percent. . .

Food and drink sales at *community centers* are expected to rise 3.8 percent. However, real sales are projected to decline 1.5 percent. This below-average performance can be attributed to reductions in government social programs.

Military sales to post 9.0 percent gain. . .

Foodservice sales for the Military Feeding Group should total $844 million in 1984, up 9.0 percent from 1983. Real sales are expected to advance 3.7 percent. Food and drink sales at *military exchanges* should rise 8.1 percent, with real sales projected to increase 2.8 percent. *Officers and NCO clubs* are doing well and should experience a 9.5 percent nominal gain along with a 4.2 percent advance in real sales. An increase in the military population accounts for the relatively strong performance projected for this category.

The industry is ready to face the future. . .

1984 will mark the fourth straight year of real sales gains for the foodservice industry, and this trend should continue. Economic forecasts report that the U.S. economy will be healthy throughout most of the remainder of the decade. In fact, many forecasters predict the nation will experience a slight economic slowdown in 1986 but then pick up steam and grow at a healthy pace through 1989. Continued low inflation rates, declining unemployment rates and expanded industrial output will fuel the economy.

A *word of caution* is necessary with all forecasts. Sales projections are based on the best data available in October 1983. If the outlook for general economic conditions or the food situation changes significantly in the coming year, NRA's projections will require adjustment. In addition, the performance of individual companies or sales in local market areas may differ substantially from the U.S. outlook.

The foodservice industry is prepared to meet the demands of the future. Restaurant operators have expanded their menus so they rely less on one commodity, and they offer their patrons meals in several different price ranges. In addition, restaurateurs are increasingly emphasizing value and the total dining experience.

Demographic and lifestyle trends are also supportive of industry growth. Those that will be most beneficial to the industry are highlighted in the accompanying box. Research has revealed that individuals with the outlined characteristics tend to eat out frequently and spend more on eating away from home than do other groups. This suggests the industry will continue to have an ample customer base in 1984 and through the remainder of the decade. In addition, a survey conducted by the Gallup Organization for the National Restaurant Association each year in September continues to reveal that the public's appetite for meals away from home is far from satisfied. In fact, if all consumers were able to eat out as often as they would like, customer traffic at our nation's restaurants would jump by 30 percent. This bodes well for the industry and those operators who develop ways to capitalize on these trends.

Demographic and lifestyle trends which will affect the industry

Demographic trends

- Increasing number of working women, especially working wives and mothers
- Increasing number of single individuals
- Continued aging of the population
- Smaller households; fewer children
- Increasing household incomes
- Rising level of education

Lifestyle trends

- Interest in health and nutrition
- Continued demand for more leisure time
- Continued demand for convenience
- Interest in quality and value
- Changing roles of family members

Regional and state-by-state forecast

For the fourth consecutive year, the National Restaurant Association has forecast eating place sales for each of the 50 states and the District of Columbia. This information is beneficial to restaurant operators when comparing their sales performance with the average for their state or region and when planning for the year ahead.

Eating place sales performance differs from state-to-state and region-to-region depending, to a great extent, on the economic situation in the area. Varying rates of income, population and employment growth all affect restaurant sales. The accompanying tables illustrate the wide geographical diversity.

The economic and sales data for the states have been arranged according to the nine census regions. Included for each state are revised eating place sales for 1983, projected 1984 sales figures and information on personal income and employment data. Much of the economic data in this report is based on information obtained from such sources as the Bureau of Economic Analysis, National Planning Association and The Conference Board.

The estimates for eating place sales used here were prepared in consultation with the research firm Malcolm M. Knapp, Inc. State-by-state historical eating place sales trends between 1972 and 1977 form the basis for these projections. These sales figures have been modified to reflect current and projected income and population data.

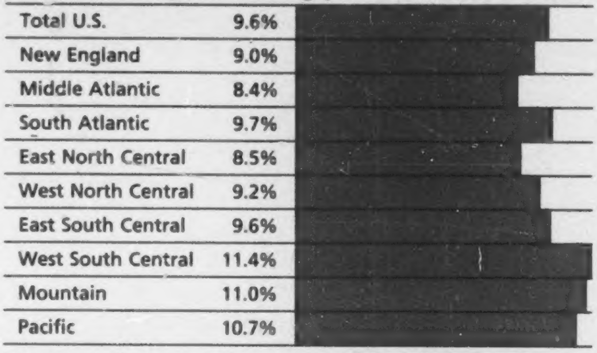
A few reminders. . .

Here are a few things to keep in mind when using the regional eating place sales figures in this report.

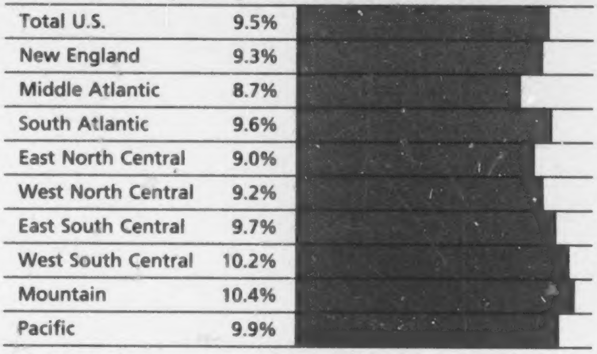
- Adjustments were made to arrive at a predetermined U.S. total.
- Sales projections for 1984 are based on the best data available in September 1983. If the outlook for general economic conditions or the food situation changes significantly in 1984, these projections will require adjustment.
- Sales figures for each state are subject to greater error than the national projections.
- The actual sales figures are a better indication than percent changes of the size of the restaurant industry in respective states. Actual sales figures represent an overall allocation of total sales in the U.S., while percent changes are subject to more variation. Percent changes have been shown here as a convenience to our readers.
- The sales information for states and regions are for all establishments. They represent the U.S. Census definition of eating places (SIC Code 5812) and include figures for operations with payroll and without payroll as well as contract feeding. As a result, the sales figures for states and regions will not equal the total for eating places shown on page 14.
- Regional projections were not done separately, and, as a result, regional totals are sums of state data.

Comparison of regional economic indicators

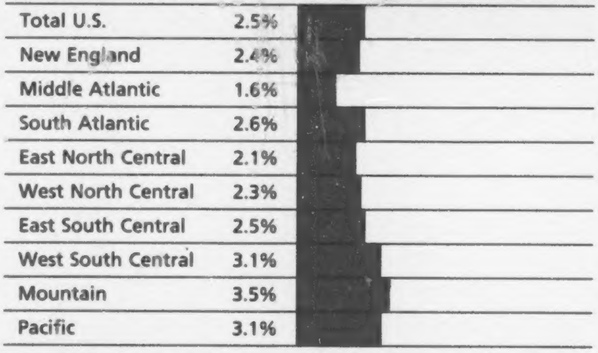
Percent change in eating place sales 1983-1984



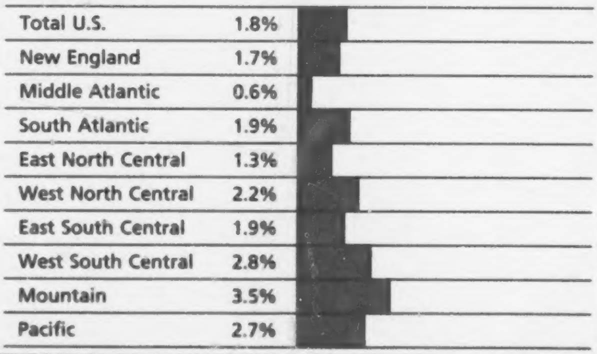
Percent change in personal income 1983-1984



Percent change in total employment 1983-1984



Percent change in manufacturing employment 1983-1984



OUTLOOK FOR New England region

Major industries

- Defense
- Service
- High technology
- Textiles

Outlook

- Increased defense spending will boost defense-related industries
- Expanding high-tech industries continue to contribute to area's growth
- Textile exports may remain weak due to the relatively strong dollar
- Employment, personal income and population growth will slightly lag behind the U.S. average
- *Eating place sales are expected to reach $6.7 billion--an advance of 9.0 percent, somewhat below the national average*

Outlook for New England states

Connecticut

- The state accounts for 23 percent of eating place sales in region
- Increases in personal income, population and employment will advance slightly slower than the regional rates
- *Eating place sales are projected to rise 8.2 percent—somewhat slower than the regional average*

Maine

- Tourism industry should rebound due to improving economy
- Population, personal income and employment growth are expected to be slightly stronger than regional average
- *Eating place sales should rise 9.6 percent—somewhat faster than the regional average*

Massachusetts

- Growing consumer electronics industries will benefit state
- Personal income is expected to rise 9.2 percent, and employment should advance 2.2 percent
- *Eating place sales growth should approximate regional average and reach $3.4 billion*

New Hampshire

- Computer industry gains will boost state's economy
- Personal income, population and employment gains will be strongest in region
- *Eating place sales are expected to outpace both regional and national averages, jumping 10.2 percent*

Rhode Island

- Dependence on slow growth industries, such as textiles and silverware, may slow gains slightly
- Personal income is expected to rise 9.7 percent, and employment will increase 2.4 percent
- *Eating place sales are projected to show stronger increase than regional average—advancing 9.4 percent*

Vermont

- The state accounts for smallest percentage of regional eating place sales
- Personal income and population gains should be slightly above regional average
- *Eating place sales are expected to rise 9.2 percent—slightly better than the regional average*

Eating place sales ($000)

	1983	1984	Percent change
Connecticut	$ 1,453,740	$ 1,572,947	8.2%
Maine	492,837	540,149	9.6
Massachusetts	3,158,377	3,442,631	9.0
New Hampshire	479,616	528,537	10.2
Rhode Island	379,244	414,893	9.4
Vermont	215,970	235,839	9.2
Total region	**$ 6,179,784**	**$ 6,734,996**	**9.0%**

OUTLOOK FOR Middle Atlantic region

Major industries

- Steel
- Service
- Finance

Outlook

- Area projected to experience slowest growth in population, personal income and employment in the nation
- Slow recovery in steel industry may hamper regional growth. This may be offset somewhat by financial and service employment.
- *Eating place sales expected to post the slowest rise in the country—8.4 percent, for a total of $15.3 billion*

Outlook for Middle Atlantic states

New Jersey

- Petro-chemical and truck farming industries may experience slow growth
- Population, employment and personal income will be slightly stronger or approximate regional average
- *Eating place sales are expected to rise somewhat faster than the regional rate—8.6 percent*

New York

- Financial and high-tech industries will expand
- Population expected to actually decrease slightly, and personal income and employment growth will lag behind the regional average
- *Eating place sales are projected to approximate regional growth—8.4 percent*

Pennsylvania

- Rate of recovery in auto and steel industries will affect growth
- Personal income, employment and population gains will be somewhat stronger than the regional average
- *Eating place sales are expected to experience slightly better than average regional growth—8.5 percent*

Eating place sales ($000)

	1983	1984	Percent change
New Jersey	$ 2,869,232	$ 3,115,986	8.6%
New York	7,194,071	7,796,797	8.4
Pennsylvania	4,015,774	4,357,115	8.5
Total region	**$14,079,077**	**$15,269,898**	**8.4%**

OUTLOOK FOR
South Atlantic region

Major industries

- Furniture
- Steel
- Motor vehicle supplies
- Tourism
- Textiles and apparel

Outlook

- Industrial diversity will boost regional growth
- Upturn in consumer spending will benefit furniture, tourism, auto and textile industries
- Personal income, population and employment growth are expected to experience above average gains
- *Eating place sales are projected to reach $17.6 billion—a 9.7 percent increase, which is slightly faster than the national average*

Outlook for South Atlantic states

Delaware

- The state accounts for smallest proportion of regional eating place sales
- Dependence on heavy industry, combined with below average gains in personal income, employment and population, indicate slow growth for the state
- *Eating place sales will experience less than average regional increase—6.6 percent*

District of Columbia

- Low population and employment gains are expected in 1984
- Personal income, however, is projected to rise the fastest in the nation
- *Eating place sales are expected to outpace regional and national averages, advancing 10.4 percent*

Florida

- Tourism, high-technology and housing gains will benefit overall economy of state
- Population, personal income and employment growth should experience better than average increases for the region
- *Eating place sales are expected to post strongest regional growth—10.6 percent*

Georgia

- Anticipated growth in lumber-related and tourism industries will boost state's economy
- Personal income is expected to rise 9.6 percent, and employment should increase 2.6 percent
- *Eating place sales are projected to experience average growth for the region—9.6 percent*

Maryland

- Population is expected to increase faster than regional average
- Personal income and employment gains, however, will lag behind the regional average
- *Eating place sales will post below regional average growth—8.6 percent*

North Carolina

- Upturn in housing market will benefit the state's economy
- Population and employment growth will be slightly above regional average
- *Eating place sales are expected to rise 9.8 percent, slightly above the regional average*

South Carolina

- Population and employment growth should rise faster than regional rate
- Personal income gains are expected to approximate regional average
- *Eating place sales are expected to advance 9.8 percent—somewhat faster than the regional average*

Virginia

- Improving household goods and furniture industries should benefit state's economy
- Personal income is expected to rise 9.0 percent, and employment should increase 2.6 percent
- *Eating place sales may post slower than average growth—9.2 percent*

West Virginia

- Weak coal mining industry will continue to affect economy
- Population, personal income and employment growth are expected to be lower than regional average
- *Eating place sales are projected to lag behind the regional gains—advancing 8.2 percent*

Eating place sales ($000)

	1983	1984	Percent change
Delaware	$ 229,888	$ 245,061	6.6%
District of Columbia	539,109	595,176	10.4
Florida	5,288,965	5,849,595	10.6
Georgia	2,219,358	2,432,416	9.6
Maryland	1,817,268	1,973,553	8.6
North Carolina	2,012,611	2,209,847	9.8
South Carolina	1,093,875	1,201,075	9.8
Virginia	2,237,323	2,443,157	9.2
West Virginia	560,256	606,197	8.2
Total region	**$15,998,653**	**$17,556,077**	**9.7%**

OUTLOOK FOR
East North Central region

Major industries

- Auto
- Steel
- Rubber
- Agriculture

Outlook

- Improved auto industry will benefit rubber and steel sectors and boost area's economy
- Agricultural industry may continue to experience slow growth
- Below average employment, population and personal income gains are projected for region
- *Eating place sales expected to rise 8.5 percent to $18.5 billion—somewhat below the national average*

Outlook for East North Central states

Illinois

- Manufacturing employment is expected to rise only 0.9 percent, indicating slow recovery in this state
- Smaller than average gains in personal income and population may also hamper state's economic growth
- *Eating place sales will rise 8.4 percent, slightly below regional average*

Indiana

- Recovering auto industry will benefit state's economy
- Manufacturing employment, population and personal income growth are expected to approximate regional average
- *Eating place sales are projected to increase 8.9 percent*

Michigan

- Recovering auto industry will help economy
- Population and employment gains will be slightly above regional average, while personal income growth should approximate regional rate
- *Eating place sales should record average regional growth and reach $4.2 billion*

Ohio

- Improving auto production should benefit rubber industry
- Personal income will rise 8.8 percent, and employment should advance 2.0 percent
- *Eating place sales are expected to increase 8.3 percent, slightly below the regional average*

Wisconsin

- Employment and personal income growth are expected to be highest in region
- *Eating place sales are projected to outpace other states in region and rise 9.0 percent*

Eating place sales ($000)

	1983	1984	Percent change
Illinois	$ 5,060,941	$ 5,486,060	8.4%
Indiana	2,265,464	2,467,090	8.9
Michigan	3,831,756	4,157,455	8.5
Ohio	4,026,677	4,360,891	8.3
Wisconsin	1,842,874	2,008,733	9.0
Total region	**$17,027,712**	**$18,480,229**	**8.5%**

OUTLOOK FOR
West North Central region

Major industries

- Agriculture
- Farming equipment
- Fertilizers

Outlook

- Agricultural industries may continue to experience slow growth
- Personal income, total employment and population gains will record below average growth
- Manufacturing employment, however, is expected to advance 2.2 percent, slightly above the national average
- *Eating place sales should rise 9.2 percent and reach $8.2 billion*

Outlook for West North Central states

Iowa

- Slow gains in the agricultural may slow growth
- Population, personal income and employment growth should approximate regional average
- *Eating place sales are expected to rise 9.0 percent, slightly below the regional average*

Kansas

- Manufacturing employment is expected to jump 3.6 percent—signifi-

Eating place sales ($000)

	1983	1984	Percent change
Iowa	$1,159,310	$1,263,648	9.0%
Kansas	1,106,448	1,208,241	9.2
Minnesota	1,805,256	1,980,366	9.7
Missouri	2,268,116	2,469,978	8.9
Nebraska	686,540	749,015	9.1
North Dakota	253,225	277,281	9.5
South Dakota	284,990	310,639	9.0
Total region	**$7,563,885**	**$8,259,168**	**9.2%**

cantly above the 2.2 percent regional average

- Personal income and population increases should be slightly above regional average
- *Eating place sales are projected to advance 9.2 percent, recording average regional growth*

Minnesota

- Growing high-tech industries should benefit state's economy
- Population, income and employment will record slightly better than average gains
- *Eating place sales should rise 9.7 percent—the strongest increase expected in the region*

Missouri

- A slight increase—1.4 per cent—in manufacturing employment will hamper state's growth
- *Eating place sales should rise 8.9 percent—the smallest regional increase*

Nebraska

- Population, employment and personal income growth to lag behind regional averages
- *Eating place sales are projected to rise 9.1 percent, slightly below the regional average*

North Dakota

- Strong manufacturing employment gains will benefit state's economy
- Personal income and population growth are expected to approximate regional average
- *Eating place sales will outpace regional average and rise 9.5 percent*

South Dakota

- Small gains in total employment, personal income and population may hamper growth
- *Eating place sales are projected to record a 9.0 percent gain, slightly below the regional average*

OUTLOOK FOR
East South Central region

Major industries

- Textiles
- Household appliances
- Apparel
- Auto parts

Outlook

- Growth in construction and automobile industries will help the region's economy
- The strong dollar may continue to impede the textile industry's ability to compete in the world marketplace
- Population and personal income growth should experience slightly better than average gains, while employment growth should mirror the national average
- *Eating place sales will post average gains—9.6 percent—and total $5.2 billion*

Outlook for East South Central states

Alabama

- Employment, population and personal income growth should approximate regional averages
- *Eating place sales are expected to be strongest in region—up 9.9 percent*

Kentucky

- Population, employment and personal income gains are expected to be slightly lower than regional average
- *Eating place sales are projected to reach $1.4 billion—a 9.2 percent increase, which is slightly below the regional average*

Mississippi

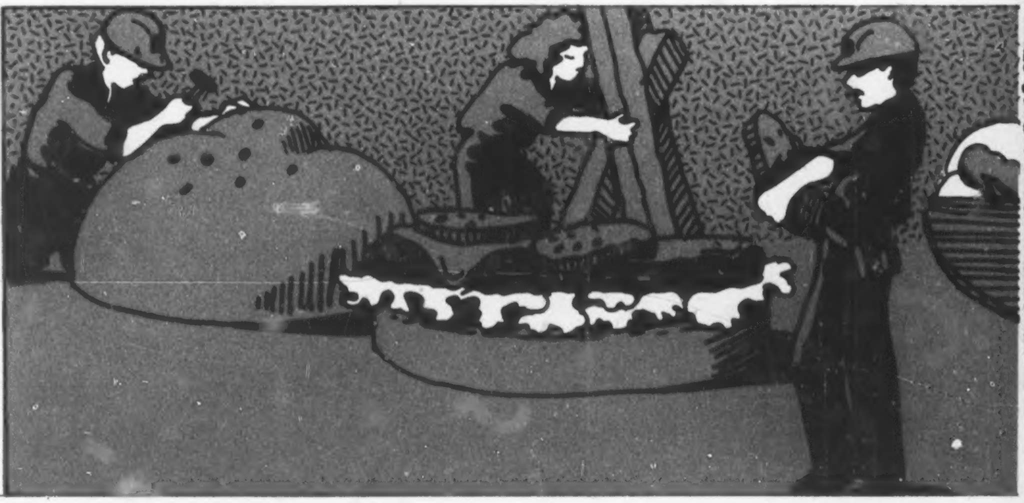
- Manufacturing employment growth is expected to rise 2.1 percent—the strongest increase in the region
- Personal income and population gains, however, may lag behind the regional average
- *Eating place sales are expected to advance 9.6 percent—mirroring the regional average*

Tennessee

- Population, personal income and employment growth are expected to slightly outpace regional averages
- *Eating place sales are projected to reach $1.7 billion, rising 9.8 percent, slightly above the average for the area*

Eating place sales ($000)

	1983	1984	Percent change
Alabama	$1,203,245	$1,322,366	9.9%
Kentucky	1,283,336	1,401,403	9.2
Mississippi	636,211	697,287	9.6
Tennessee	1,587,478	1,743,051	9.8
Total region	**$4,710,270**	**$5,164,107**	**9.6%**



OUTLOOK FOR
West South Central region

Major industries

- Oil and gas
- Finance
- Chemicals
- Service

Outlook

- Depressed oil prices and decreased demand may continue to slow growth in energy-related industries
- Growth in construction and consumer electronic products will benefit area
- Finance and service industries should experience continued expansion
- Population, employment and personal income gains should be among strongest in U.S.
- *Eating place sales are expected to post the most substantial growth in the country—11.4 percent—to reach $11.1 billion*

Outlook for West South Central states

Arkansas

- Personal income, employment and population gains are expected to be slightly lower than regional average
- *Eating place sales are projected to post a 10.0 percent rise, somewhat below the regional average*

Louisiana

- World's Fair in 1984 is expected to boost state's economy
- Personal income is projected to rise 9.7 percent, and employment should increase 2.8 percent
- *Eating places should experience substantial growth—10.8 percent—but still lower than the regional average*

Oklahoma

- Slow gains in energy-related industries may hamper state's growth
- Population, employment and personal income gains may be somewhat slower than the expected regional averages
- *Eating place sales are projected to rise 10.3 percent, somewhat below the regional average*

Texas

- Growing high-technology and service industries should benefit the state
- The state accounts for almost 70 percent of the regional eating place sales
- Substantial gains in personal income, employment and population will help boost state's economy
- *Eating place sales are expected to be among the strongest in the nation, rising 11.8 percent to $7.7 billion*

Eating place sales ($000)

	1983	1984	Percent change
Arkansas	$ 653,862	$ 719,248	10.0%
Louisiana	1,321,160	1,463,845	10.8
Oklahoma	1,134,588	1,251,450	10.3
Texas	6,861,139	7,670,753	11.8
Total region	**$9,970,749**	**$11,105,296**	**11.4%**

OUTLOOK FOR
Mountain region

Major industries

- Mining
- High-technology
- Lumber/construction

Outlook

- Growth in lumber and construction industries will benefit area
- High-technology jobs and firms continue to contribute to region's growth
- Population, employment and personal income gains are expected to be strongest in country
- *Eating place sales are projected to experience substantial growth—11.0 percent—for a total of $5.0 billion*

Outlook for Mountain states

Arizona

- Manufacturing employment, population and personal income growth are expected to be among strongest in nation
- Improving tourism industry and growing high-technology field should boost economy
- *Eating place sales are projected to rise 12.4 percent—the largest increase expected in the country*

Colorado

- Manufacturing employment and population

Eating place sales ($000)

	1983	1984	Percent change
Arizona	$1,032,123	$1,160,106	12.4%
Colorado	1,392,559	1,549,918	11.3
Idaho	307,355	336,861	9.6
Montana	271,720	296,718	9.2
Nevada	437,715	484,988	10.8
New Mexico	514,711	568,241	10.4
Utah	401,206	438,518	9.3
Wyoming	201,580	223,955	11.1
Total region	**$4,558,969**	**$5,059,305**	**11.0%**

gains should experience substantial growth
- Personal income and total employment growth will mirror regional average
- *Eating place sales are expected to total $1.5 billion, up 11.3 percent, slightly above the regional average*

Idaho
- Slow growth in mining industries may continue to hamper state's economy
- Population, employment and personal income growth are expected to be below regional averages
- *Eating place sales are projected to rise 9.6 percent—somewhat slower than the regional average*

Montana
- Slowly recovering mining industries will affect state's economy
- Employment, personal income and population gains are expected to rise slower than the region as a whole
- *Eating place sales are projected to show smallest increase in region—9.2 percent*

Nevada
- Improving tourism industry should benefit state's economy
- Personal income is expected to rise 10.5 percent, and employment should be up 3.6 percent
- *Eating place sales are projected to jump 10.8 percent, slightly below the regional average*

New Mexico
- Population, employment and personal income gains are expected to slightly lag behind the regional averages
- *Eating place sales should rise 10.4 percent--somewhat below the regional average*

Utah
- Personal income and employment gains are expected to mirror regional average
- *Eating place sales are expected to rise 9.3 percent, significantly below the average for the region*

Wyoming
- Personal income is expected to show slightly stronger increase than regional average
- Population and employment growth should mirror the average regional gains
- *Eating place sales are expected to post an 11.1 percent rise, slightly above the regional average*

OUTLOOK FOR
Pacific region

Major industries
- Construction
- Aerospace
- Lumber
- Tourism

Outlook
- Lumber and wood products industries have begun to pick up steam and should benefit state's economy
- Growing tourism and aerospace sectors should also improve regional outlook
- Population, personal income and employment growth are expected to outpace national averages
- *Eating place sales are projected to total $20.1 billion—a 10.7 percent advance*

Outlook for Pacific states

Alaska
- Population growth may lag behind the regional average, but personal income and employment gains should show slightly better than average increases
- *Eating place sales are expected to rise 11.1 percent—the strongest gain in the region*

California
- The Olympic games and an improving tourism industry should boost state's economy
- Population, personal income and employment gains should approximate regional averages
- *Eating place sales are projected to reach $14.5 billion—an 11.0 percent jump, which is slightly above the regional average*

Hawaii
- Slowly recovering tourism industry may hamper state's growth
- Personal income, population and employment growth are expected to record below average increases
- *Eating place sales are projected to show slowest increase in region, rising only 8.7 percent*

Oregon
- Improving demand for lumber and wood products should benefit state's economy
- Population and personal income growth should increase slightly faster than the regional averages
- *Eating place sales are expected to reach $1.6 billion, a 10.3 percent advance, which is slightly below the regional average*

Washington
- Growth in both the lumber and aerospace industries should brighten state's economic picture
- Manufacturing employment, personal income and population gains should post slightly better-than-average increases
- *Eating place sales are expected to rise 9.8 percent*

Eating place sales ($000)

	1983	1984	Percent change
Alaska	$ 368,459	$ 409,358	11.1%
California	13,086,479	14,525,992	11.0
Hawaii	726,732	789,958	8.7
Oregon	1,486,742	1,639,876	10.3
Washington	2,464,176	2,705,665	9.8
Total region	**$18,132,588**	**$20,070,849**	**10.7%**

Food and drink purchases projected to reach $65.2 billion in 1984

Food and drink purchase projections for the foodservice industry are forecast to reach $65.2 billion in 1984. Other highlights include:

- Purchases in the Commercial Feeding Group, which account for 69 percent of the total amount spent, are estimated to reach $45.2 billion next year.
- Eating places, the largest component of the Commercial Feeding Group, are predicted to record food and drink purchases of $34.6 billion in 1984.
- Food contractors follow eating places in the commercial segment in amount of dollars spent and are estimated to post purchases of almost $3.7 billion.
- Purchases for the Institutional Feeding Group, which account for 20 percent of total industry food and drink purchases, are forecast to equal $13.2 billion in 1984.
- Hospitals, the largest food and drink purchasers in the institutional segment, will record purchases of $3.8 billion in 1984 or 29 percent of the total for this group.
- Food and drink purchases that will be furnished to foodservice employees in both the Commercial and Institutional Feeding Groups are forecast to reach $4.4 billion next year.
- Purchases in the Military Feeding Group are expected to reach $2.3 billion, with defense personnel accounting for the largest share—almost $2.0 billion.

The foodservice industry—food and drink purchases projected to 1984

Estimated food and drink purchases (000)

Group I—Commercial feeding[1]

Eating places	
Restaurants, lunchrooms	$18,396,838
Limited menu restaurants	14,313,804
Commercial cafeterias	1,042,916
Social caterers	336,248
Ice cream, frozen custard stands	566,755
Total—eating places	$34,656,561
Bars & taverns	$ 590,595[2]
Total—eating & drinking places	$35,247,156
Food contractors	
Manufacturing & industrial plants	$ 1,178,007
Commercial & office buildings	374,265
Hospitals & nursing homes	435,122
Colleges & universities	557,000
Primary & secondary schools	347,241
In-transit feeding (airlines)[3]	351,108
Recreation & sports centers	452,257
Total—food contractors	$ 3,695,000
Lodging places	
Hotel restaurants	$ 1,957,480
Motor hotel restaurants	340,547
Motel restaurants	585,632
Total—lodging places	$ 2,883,659
Other commercial	
Retail host restaurants	$ 1,581,599
Recreation & sports	652,554
Vending & non-store retailers	993,501
Mobile caterers	193,008
TOTAL—Group I	**$45,246,477**

Group II: Institutional feeding—Business, educational, government or institutional organizations that operate their own foodservice

Employee feeding	$ 966,894
Public & parochial elementary & secondary schools	3,324,970
Colleges & universities	1,520,989
Transportation	441,891
Hospitals	3,843,415
Nursing homes; homes for aged, blind, orphans, mentally & physically handicapped	1,902,667
Clubs, sporting & recreational camps	779,032
Community centers	389,244
TOTAL—Group II	**$13,169,102**
TOTAL—Groups I & II	**$58,415,579**
Food furnished foodservice employees (FSE) in Groups I & II	$ 4,435,449
TOTAL—Groups I, II & FSE	**$62,851,028**

Group III: Military feeding

Defense personnel	$ 1,993,404
Officers & NCO clubs ("Open mess")	208,361
Foodservice—military exchange	120,830
TOTAL—Group III	**$ 2,322,595**
GRAND TOTAL	**$65,173,623**

[1] Data are given only for establishments with payroll

[2] Food purchases only.

[3] Food purchases only.

**Purchases refer to expenditures by foodservice establishments for their food and drink supplies.*

Industry sales reach $144.2 billion in 1983

The National Restaurant Association has updated its 1983 forecast to reflect the stronger than expected economic recovery. Lower menu price increases, resulting from a continued moderation in the inflation rate and modest advances in food prices, are the primary reasons for the revised projections. As a result, NRA expects real growth in the foodservice industry to experience more substantial gains. Rising personal income and consumer confidence as well as improved vacation travel have also contributed to the brighter outlook.

Sales for the foodservice industry are now expected to reach $144.2 billion, an increase of 8.2 percent in current dollars and 3.7 percent in real dollars. This is significantly above the original prediction for total sales—$143.6 billion—in the "1983 Forecast" in the December 1982 issue of ***NRA NEWS.***

Sales for the *Commercial Feeding Group* will reach $122.5 billion, an increase of 8.7 percent over 1982. Real sales for this group should rise 4.3 percent versus an initial prediction of a 2.2 percent gain. Sales for the *Institutional Feeding Group* are expected to total $20.9 billion, primarily due to continued increases in transportation feeding sales. Sales for *the Military Feeding Group* will advance 8.1 percent and reach $774 million.

Eating place sales will total $88.1 billion in 1983, a gain of 9.4 percent over 1982. This is up from the $87.4 billion originally forecast. Real sales, adjusted for inflation, are expected to jump 5.1 percent—substantially above the initial prediction of 2.6 percent.

Restaurants and lunchrooms will provide most of this improvement in eating place sales. Sales for this segment are expected to advance 8.8 percent and reach $45.7 billion. This is up from the original forecast of $45.2 billion. Real sales are projected to rise 4.5 percent, compared with the 1.4 percent initially forecast. Consumers, now that their individual economic situations are improving, are trading up. This is benefiting the dinner house segment.

Limited menu (fast food) sales should reach $37.2 billion, a 10.5 percent gain that corresponds to the original predicted growth. Real sales for this category, however, are now expected to rise 6.2 percent, compared with the original forecast of 4.5 percent.

The National Restaurant Association now expects menu prices to increase only 4.3 percent, well below the 6.0 percent originally forecast last December. Very small gains in wholesale food costs during 1983—0.8 percent—combined with modest gains in wages and salaries have helped restaurateurs keep menu price increases at a very moderate level.

Foodservice industry sales 1982-1983

	Food and drink sales (000)		Percent change	
	1982	1983	Current dollars	Constant dollars
Commercial Feeding Group	$112,734,342	$122,508,533	8.7%	4.3%
Eating places	$ 80,494,945	$ 88,061,470	9.4%	5.1%
Restaurants & lunchrooms	42,037,815	45,719,969	8.8	4.5
Limited menu restaurants	33,705,397	37,244,464	10.5	6.2
Commercial cafeterias	2,412,690	2,588,816	7.3	3.0
Social caterers	814,268	837,068	2.8	−1.5
Ice cream, frozen custard stands	1,524,775	1,671,153	9.6	5.3
Bars and taverns	$ 8,737,493	$ 9,218,055	5.5%	1.2%
Total eating & drinking places	$ 89,232,438	$ 97,279,525	9.0%	4.7%
Institutional Feeding Group	$ 19,793,754	$ 20,905,530	5.6%	0.6%
Military Feeding Group	$ 716,122	$ 774,285	8.1%	3.8%
Total foodservice industry sales	$133,244,218	$144,188,348	8.2%	3.7%

How the NRA forecast was prepared. . .

NRA's initial projections for 1984, revised projections for 1983 and final estimates for 1982 are published here. Comparable historical sales data from 1970 through 1980 appear in *Foodservice Sales Panorama* and in the June/July 1982 issue of ***NRA NEWS***.

NRA's annual foodservice industry forecast for 1984 includes both nominal and real percent changes in sales for all industry sectors. Real growth is calculated separately for each market segment. In the case of eating places, the projected percent increase in menu prices is subtracted from the percent increase in sales. For drinking places it is necessary to make a special estimate of the inflation factor which is weighted more heavily toward alcoholic beverages.

For other industry sectors, such as colleges and universities where expenses are largely determined by food costs, a modification of the Producer Price Index for food is used. Modifications to this index are based on historical patterns for each industry sector. The food cost component thus constitutes the base percent increase, which is adjusted to reflect population changes and other pertinent factors, such as labor and overhead costs.

To arrive at real 1984 sales figures for the total foodservice industry as well as for the Commercial and Institutional Groups, current 1983 sales were multiplied by the respective 1984 real growth factors. The real sales figures for each of these sectors were then added and compared with 1983 sales to obtain overall real growth for the industry and the two major segments.

Consumers want to eat out more often

The market for meals away from home is far from saturated, according to a recent consumer survey conducted by the Gallup Organization for the National Restaurant Association. If adult consumers were able to eat in restaurants as frequently as they would like, customer traffic would jump by about 30 percent. Although this figure is down slightly from the 33 percent reported in 1982 and 1981, it may mean that improved economic conditions in 1983 made it possible for more consumers to eat out as often as they wanted.

However, others still find that their financial position does not allow them to eat out as frequently as they would like. Some people are just starting to recover from their months of joblessness and loss of income, and others are purchasing big-ticket items, such as cars, houses, appliances and furniture.

Four out of 10 adults would like to eat out more often. . .

Nearly 40 percent of adults questioned in September 1983 by Gallup's *Monthly Monitor of Eating Away from Home* said they were not eating out as much as they would like. This is similar to the proportions reported in the prior two years when NRA had Gallup ask the same question.

Most revealing for the restaurateur is what this "pent-up" demand for meals away from home means in terms of customer traffic. By asking those who said they were not eating out often enough to specify how many more times per week they would like to eat away from home, NRA was able to calculate how large the market would be if consumers could eat in restaurants as often as they wished.

The majority of the people interviewed said they would like to eat out one (32 percent) or two (31 percent) times more a week. An additional 16 percent said they would do so three times a week. In fact, there was a substantial increase in the number who wanted to eat three more times, perhaps indicating that people feel the real desire to eat out frequently now that their financial situation is improving.

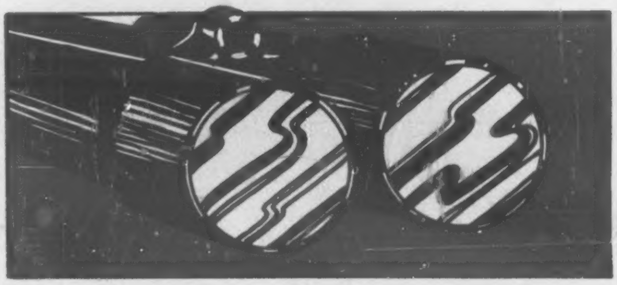
Using data on the current frequency of eating out along with data on desired frequency, we can arrive at a total customer traffic figure. Overall, patron counts at the nation's restaurants would rise about 30 percent. However, some demographic groups are less satisfied with their current level of eating out than others, and these include

- Women
- People between the ages of 35 to 49
- People with less than a high school education
- People with incomes under $15,000
- Households with three or more persons and
- People who eat out infrequently.

Moderate inflation, rising real incomes and declining unemployment will be especially beneficial to these groups. This, in turn, will put the restaurant industry in a good position to capture a greater share of the consumer's disposable dollar.

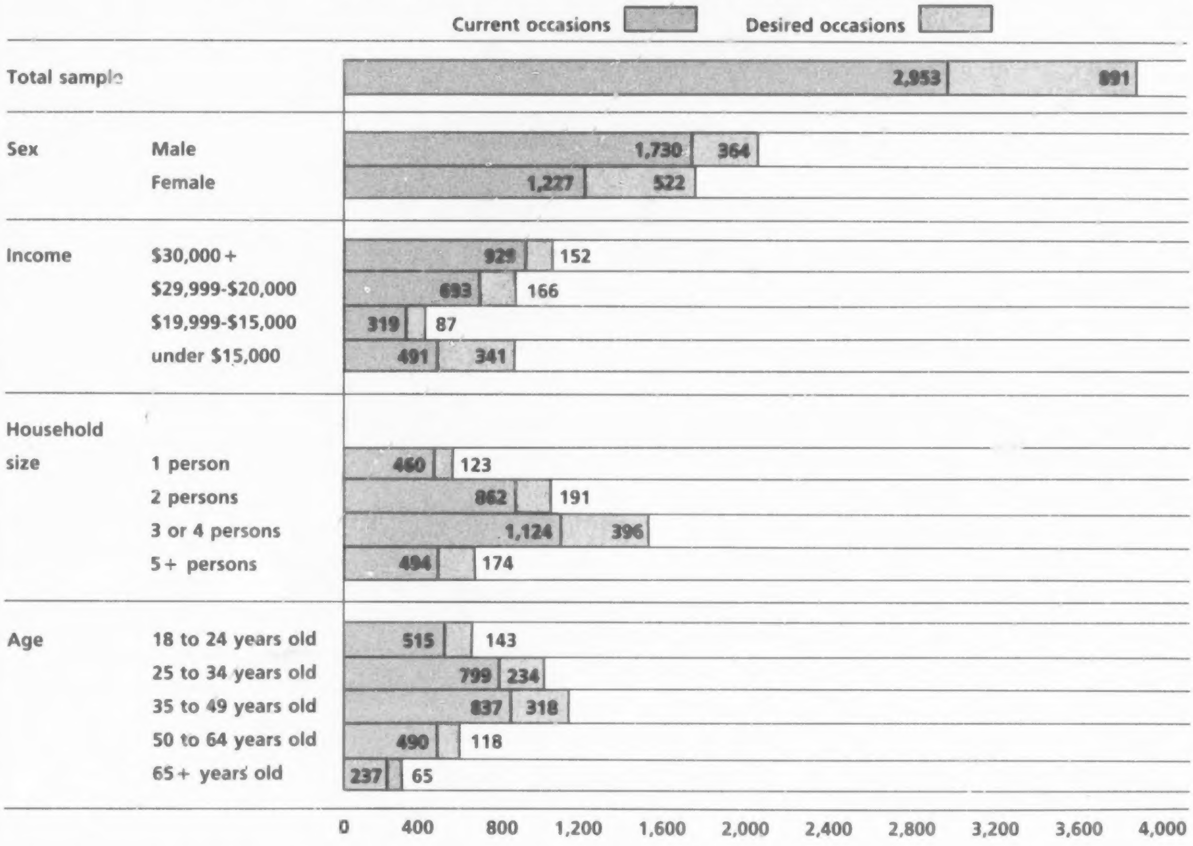
Eight out of 10 would like to eat more dinners out. . .

Those respondents who indicated they would like to eat out more frequently were asked what meal they would like to eat out more often if they could. More than eight out of 10 (85 percent) said they wanted to eat more dinners out versus only 10 percent who said lunch and 6 percent who said breakfast. This suggests that discretionary dining out, which primarily includes dinner, should pick up in 1984 because consumers will be in a better financial position.



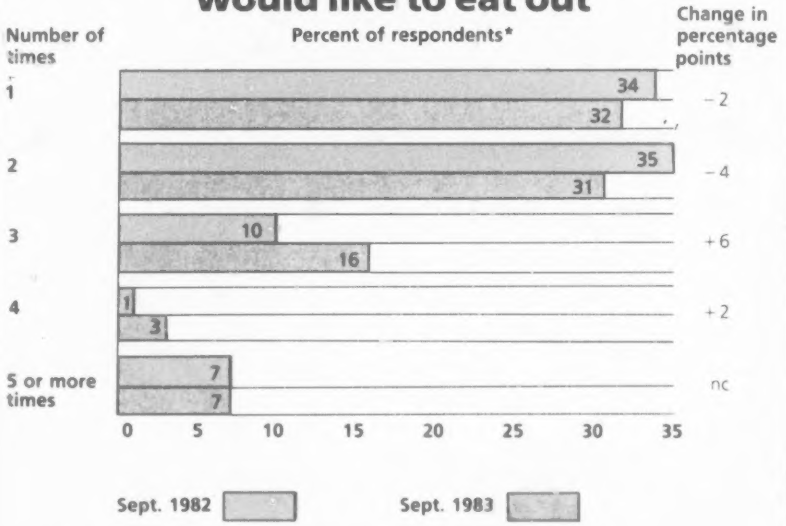
Customer traffic

Current weekly occasions vs. desired weekly occasions



Note: Based on weighted representative sample of 1,181 adults 18 years old and over, September 1983
Source: National Restaurant Association

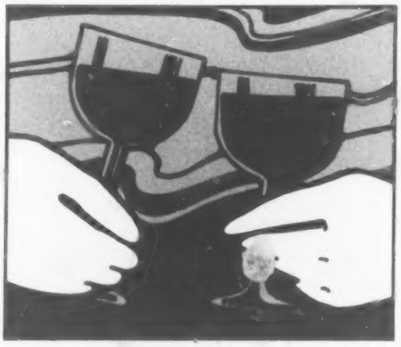
How frequently consumers would like to eat out



*Based only on those who said they were not eating out as often as they would like

Source: National Restaurant Association

Editor's Note: *Questions concerning this report or requests for additional copies should be directed to the National Restaurant Association, Research Department, 311 First Street, N.W., Washington, DC 20001.*



—Bette Hoyt and Cecelia Niepold

1983 IN REVIEW

New sweetener & old favorites with gourmet twist

One of the most exciting and long-awaited products to come on the market in 1983 was aspartame. After 10 years of research and seven years of testing, G.D.S. Searle and Co. released the low-calorie sweetener.

More commonly known by its trademark NutraSweet, aspartame is said to have 200 times the sweetening power of sugar with only one-twelfth the calories and no unpleasant aftertaste. Aspartame is also considered safe for most people, being a combination of two natural amino acids: aspartic acid and phenylalanine.

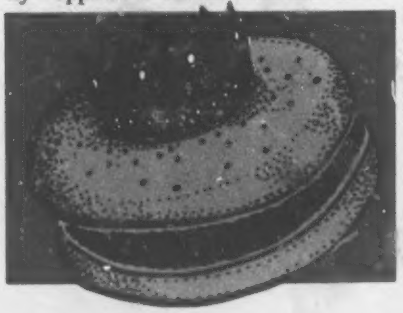
According to *Beverage Industry* magazine, aspartame-sweetened sodas could "explode" the diet drink market from 17 percent of all soft drinks in 1982 to 30 percent in 1984. In dollars that would be a jump from $3.6 billion to $6.6 billion.

Aspartame's $90-a-pound price tag has been the only real deterrent to wider use. It costs 30 times more than saccharin. Nonetheless, sales have already risen beyond expectations.

Hamburger—gourmet style. . .

Hamburgers are still holding their own as the number one entree. But they now have a fancier dressing. Gourmet hamburger chains have flourished this year.

At a time when a wide mix of customers have become more sophisticated about their foods, the gourmet hamburger—merchandised for its quality—appears to fill the void and allow patrons to trade up but still enjoy the familiar favorite. Many restaurants add to the appeal of the burger by inviting their customers to create their own version with exciting toppings like guacamole, caviar, chili and salsa, to name a few.



Ice cream—the love affair is growing richer. . .

Americans' love affair with ice cream has reached new heights. But it's not just plain ice cream that's kindling their passion. Premium (high butter fat) brands with fresh quality ingredients have far outpaced sales of regular ice cream, which leveled off

Lighter fare—new techniques, new foods. . .

The calories consumers are splurging on ice cream, they're saving in other areas. More and more diners want a meal that is cooked with lighter, simpler, more natural techniques. Deep-fat frying, breading and other high calorie cooking methods are out, as are the use of salt and rich sauces. Herbs are the new "in" flavoring method.

But it's not bland food consumers turn to. Spicy chicken is a new popular favorite, and the visually appealing Japanese cuisine with its low-fat sushi bars is gaining a loyal following from coast to coast. In addition, seafood sales continue their strong growth pattern.

Wine-by-the-glass adds class. . .

In recent years, American patrons have proven themselves to be a very fast study on the subject of wine. With their increasing knowledge and curiosity about wines comes a great reluctance to order unidentified house wines. In response, restaurateurs who pride themselves on the fine wines they carry, increasingly feature wine-by-the-glass by brand names, with the hope that patrons who like the glass will order the bottle.

Wine companies are helping to foster this wine-by-the-glass program by offering a line of quality point-of-sale materials to restaurateurs including table tents, write and wipe boards, lapel buttons and shelf talkers.

With 60 percent of all restaurant diners ordering wine with their meal, the wine-by-the-glass concept may soon become as ordinary as cake by the slice. (See the January 1984 issue of the ***NRA NEWS*** for an in-depth look on the effect of wine dispensing units.)

Food on the run. . .

It's a busy world we live in so convenience and quality have become major concerns for today's consumers. Take out sales account for approximately one-fifth of total industry sales and one out of every three eater occasions. That is why meals and catering operations are enjoying a boom. According to a recent Gallup Poll survey, 19 percent of respondents reported buying take-out food in 1983, compared to 12 percent in 1982.

Restaurateurs are responding to this increased demand for take-out foods by adding gourmet food shops to their restaurants. Many take-out restaurants are even featuring delivery services. Some of the items offered include Peking duck, T-bone steaks, veal with green peppercorns, tortellini with truffles, enchiladas and stuffed rabbit—to name a few.

Linked very closely to the increase in take out is the increase in catering. Restaurateurs view catering as a natural extension of their restaurant—a place where they can increase profits by maximizing the use of the restaurant's personnel and facilities.

—Carol Caprione and Elyse Cuttler

THE BOARD ROOM

NRA Director Roger Anderson named commissioner and mayor-elect of Great Falls, Montana

Election day thrust NRA Director Roger Anderson (Robbie's Restaurant, Great Falls, MT) into the political limelight. Anderson, who received a total of 6,337 votes (30 percent of the ballot), will serve as a commissioner of Great Falls starting January 2, 1984. As the top vote getter and leading candidate in 20 precincts, Anderson will serve as Great Falls mayor the last two years of his four-year term.

Commenting on his recent election as commissioner and designation as mayor-elect, Anderson said, "I know that I can contribute to the progress of Great Falls and will do all in my power to keep our city moving forward. I will work with all Great Falls citizens to achieve this end."

Director Felix gets Red Cross medal

NRA Director John Henry Felix is the first American to receive the International Red Cross' prestigious Henry Dunant Medal. President Reagan recently sent a letter to Felix, expressing his personal congratulations.

The Henry Dunant Medal, named in honor of the founder of the Red Cross movement, is awarded every two years to recognize and reward outstanding service of mainly international significance to the cause of the Red Cross.

Felix, who received the award on October 13 at ceremonies in Geneva, Switzerland, was honored both for his work with refugees from Vietnam, Cambodia and Laos and his assistance in the formation of Red Cross societies in nations in Asia and the Pacific.

Felix has long been associated with the Red Cross. In addition to being a chairman emeritus of the Hawaii State Chapter, he is a volunteer chairman of Western Operations Headquarters and the first permanent League of Red Cross Societies delegate for the Pacific. Felix is also a former member of the American Red Cross' board of governors and a past recipient of ARC's prestigious Harriman Award.

Culinary Foundation to host "Dinner of the Century"

The NRA/ACF U.S. Culinary Team Foundation will host the "Dinner of the Century," an evening without precedent in the industry's history, to benefit the 1984 U.S. Culinary Team.

This elegant extravaganza will be held on Saturday, May 19, 1984, the day before the opening of the 65th NRA Restaurant, Hotel-Motel Show. It will feature the best cuisine, finest wine and warmest hospitality that the foodservice industry has to offer. A 10-course meal, created for the occasion and prepared by the 1984 U.S. Culinary Team, will be served with 20 of America's finest wines. Each course will be accompanied by two wines, announced with a trumpet and proclaimed by a herald, who will also describe each dish.

In keeping with the elegance that will characterize the evening, each guest will be announced by a herald and greeted by NRA President Joe R. Lee. NRA board members, owners of some of the finest dining establishments in the country, will serve as maitre d's.

Walter Conti, chairman of the NRA/ACF U.S. Culinary Team Foundation and owner of Conti Cross Keys Inn, Doylestown, PA, has established a committee of leading restaurateurs to oversee this exciting event. The committee will consist of NRA Past President John Dankos, Dankos Enterprises, Richmond, VA; NRA Past President Thad Eure, Jr., Darryl's Division of General Mills Restaurant Group, Inc., Raleigh, NC; and NRA Director Ernest Royal, Royals Hearthside, Rutland, VT.

The "Dinner of the Century" is a black-tie affair limited to 200 guests. Tickets can be purchased for $500 a piece. All proceeds will be donated to the NRA/ACF U.S. Culinary Team Foundation. Ticket requests and inquiries should be directed to the NRA/ACF U.S. Culinary Team Foundation, c/o Richard Gaven, NRA Senior Director, National Restaurant Association, One Park Place, Suite 2000, Chicago, IL 60601; (312) 853-2525.

Culinary Foundation applauds fund-raising activities

During a recent press conference at NRA's Washington office, Walter Conti, chairman of the NRA/ACF U.S. Culinary Team Foundation and past president of NRA, announced that the foundation has achieved its quota for major sponsorship of the 1984 U.S. Culinary Team—five backers each pledging to contribute $50,000.

The fund-raising drive, which began at the 1983 NRA Show when L.J. Minor Corporation announced its sponsorship, has since gained the support of the Foodservice Group of Kraft, Inc., American Express Travel Related Services and, most recently, the Hobart Corporation and the Foodservice Products Division of Procter and Gamble.

In addition to these major sponsors, funds have been pouring in from all segments of the foodservice industry—corporations, suppliers, restaurateurs and even culinary students.

Commenting on the initial success of the fund-raising drive, foundation chairman Walter Conti said, "We are proud of the way that the foodservice industry—especially the major sponsors—have rallied behind the banner of the 1984 U.S. Culinary Team, but we are still only a little over half way to our final goal of $500,000. If the 1984 U.S. Culinary Team is to win the gold in Frankfurt, we must maintain the momentum of our fund-raising efforts. We need nothing less than total industry support."

—Dorothy Dee

U.S. CULINARY TEAM WINS 12 GOLD MEDALS IN JAPAN CONTEST

The U.S. Culinary Team captured 12 gold medals during Japan's World Culinary Contest held last month in Osaka.

Other honors garnered by the U.S. team in the Osaka competition included first and third place awards in the cold food competition between city teams, a prize of honor from Switzerland and trophies from the city of Osaka and the German Chefs Association.

Although the 1984 U.S. Culinary Team encountered difficulties, including kitchens designed for Japanese-size chefs (with preparation tables only 70 cm high) and a broken oven, the team returned home with its share of honors.

The U.S. team tied for third place with Canada and Switzerland. Germany took top honors, and Japan won second place.

Important training ground. . .

Though not a prerequisite for eligibility in Frankfurt, the Osaka competition was an important training ground. According to U.S. Culinary Team Manager Ferdinand Metz, "Osaka was an opportunity to iron out any minor wrinkles or weaknesses before Frankfurt. It gave us an opportunity to fine tune the national team and provided regional team members with an opportunity to work together."

The Osaka competition is the second and last international contest before October 1984. (At the March 1983 International Culinary Competition in Klagenfurt, Austria, the 1984 U.S. Culinary Team won the grand prize, 11 gold and two silver medals as well as seven other special awards.)

Officially titled Japan's World Culinary Contest '83, the Osaka competition was Japan's first attempt to stage a world class culinary competition. Held at the International Trade Fair Halls in Minato as part of the Osaka International Gourmet Fair, the three-day competition drew 325,000 visitors and accomplished chefs from 12 nations.

Chefs from around the world competed in one of three capacities—as members of national teams, city teams or as individual competitors. In all there were 12 national teams, 21 city teams and individual competitors from six countries. Each category competed against those with the same classification—matching national team against national team, city team against city team and individual competitors against other sole contestants.

Hot food competition domain of national team. . .

While all teams and individual contestants compete in the cold food competition, the International Restaurant or hot kitchen competition is the exclusive domain of the national teams.

The members of the 1984 U.S. Culinary Team—Chefs Richard Schneider, Tim Ryan, Lyde Buchtenkirch and Dan Hugelier—competed against chefs from Australia, Italy, France, India, Finland, England, Japan, Canada, Luxembourg, West Germany, Switzerland and Austria.

In the cold buffet each team or individual contestant produced a variety of cold food platters and dishes for anywhere from four to eight people. The American offering included stuffed salmon oysters, veal medallions, combination seafood and venison platters, hors d'oeuvre trays and fish dishes.

During the International Restaurant or hot kitchen competition each national team prepared 200 servings of two hot specialties (twice the amount required in Frankfurt). These portions were then sold to visitors of the fair. The U.S. team prepared both a fish and meat entree. The fish item, titled "Fillet of Striped Bass, Nantucket," consisted of a pike mousse on fillet of sea bass with a slice of salmon. It was served with stir fry vegetables, sour cream dough stuffed with mushroom puree and a salad. The meat item, called "Pork Medallions Hudson Valley," was pork medallions stuffed with sauteed vegetables and served with green beans, cherry tomatoes, mushroom caps, sauteed potatoes with bacon and a salad.

Entries for both the cold buffet and hot kitchen competition were scored on the basis of composition, preparation, arrangement and originality. A range of 0-15 was assigned for composition or taste, 0-10 points for preparation, 0-15 points for arrangement and 0-10 points for originality.

Fillet of Striped Bass, Nantucket

(Prepared by the U.S. Culinary Team in Osaka, Japan)

Yield: 8 servings

8 filets of striped bass (2 1/2 to 3 ounces)
Mousseline forcemeat
8 thin slices smoked salmon
8 ounces fish stock or clam juice
8 ounces white wine
8 ounces heavy cream
2 ounces butter
2 tablespoons fresh tarragon
Salt and pepper to taste

Season bass fillets. Top with mousseline forcemeat, then add a slice of smoked salmon. Place in a buttered saute pan; cover with stock and wine. Bring to a boil on top of stove, cover and cook in a 350 degree oven for 12-15 minutes or until forcemeat is firm. Remove fish from pan and keep hot. Reduce cooking liquid by boiling over high heat. It should be reduced to a syrupy glaze. Add the heavy cream and tarragon, simmer until lightly thickened; whip in the butter. Correct the seasoning with salt and pepper and pour over fish. Serve with steamed leeks and mushroom puree.

Mousseline forcemeat

3/4 pound pike (boneless and skinless)
1 cup heavy cream
1 whole egg
Salt and white pepper to taste

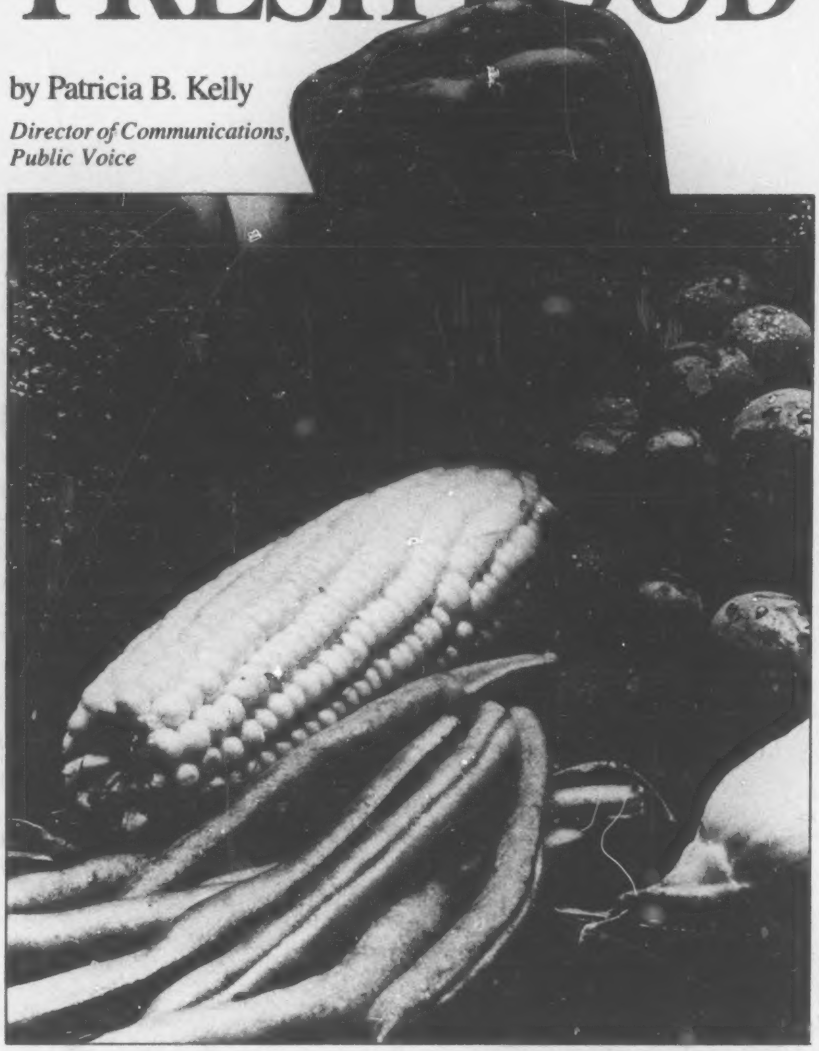
In a food processor, puree the pike until smooth. Add the egg and cream. Season with salt and white pepper.

NUMBER 3 IN A SERIES

THE SEARCH FOR FRESH FOOD

by Patricia B. Kelly

Director of Communications, Public Voice



Chef Nora Pouillon and her two partners in the Nora Restaurant in Washington, DC, shared an initial goal: They wanted to create a restaurant that would promote healthful, tasty, organic food. And they believed they could do it without making it vegetarian.

Jeremiah Tower, a consulting chef at Chez Panisse and currently at the Santa Fe Bar & Grill in Berkeley, CA, wanted to respond to patrons who came "looking for something new, who wanted the best taste, the freshest ingredients."

Pouillon and Tower are pioneers in the nutrition movement in restaurants. They have successfully designed and carried out their own visions of what a restaurant nutrition program should be, eschewing the road map route to restaurant nutrition. But they, like other health-conscious restaurateurs, have confronted a critical challenge: how to find adequate, reliable sources of fresh food.

Finding the food. . .

The ingredients for the meals used by nutrition-conscious operators come from over the backyard fence and across the continent. Most restaurateurs like the food closer to home; some even grow it themselves. Others have cultivated local and regional sources, often nurturing fledgling suppliers or even helping to launch new businesses with their special orders. For each restaurateur, the blend of fresh-food sources is unique.

The owners of Jerome's Fresh Food Restaurant in Chicago, IL, select their own food items after careful research. This research includes trips to stores, distributors, food processors, open air markets, other restaurants, samplings, tastings and extensive reading. "We inspect fisheries, examine meat plants and work with local butchers," explains co-owner Jan Lucas. "People are pretty willing to help each other," she adds.

The results are close working relationships with suppliers and a daily menu that changes with the availability of selected produce, meat, fish and poultry. "If you find a good purveyor, you stick with him," says Lucas. Jerry Woznyj at Clearwater Fisheries, just a few doors down the street from the restaurant, has become a good friend and the main supplier of the restaurant's catch. Woznyj shares his knowledge of the fish business with the Lucases, and they, in turn, offer recipes and teach occasional cooking classes at the store. It's a mutual relationship that is acknowledged on the menu: "Today's seafood, provided by our friend Jerry Woznyj at Clearwater Fisheries."

Jerome's has also found suppliers of free-ranging chickens and ducks (that roam the chicken yards), purveyors of locally-grown herbs and a growing number of food importers for such exotic items as wild mushrooms. According to Lucas, more and more suppliers come to the restaurant trying to sell their products because there are a lot more companies starting out. Many of them feature regional foods. How does she decide which products to buy? You sample, she says, and go on your feelings. "It's a one-shot deal. You make a small purchase and then see if you can work with the product," she explains.

Sometimes Lucas finds a product she likes in a store. She may buy it for a while at retail prices until she builds up enough rapport with the owner to get the name of the wholesaler. "There is no one source for everything you need," she says.

Nora's in Washington, DC, has also built up a list of suppliers, but the restaurant's organic food orientation makes the fresh food search even more challenging. When Chef Nora Pouillon started looking for suppliers, she turned to the yellow pages and then built on word-of-mouth recommendations. It's a small community, says Pouillon, so all suppliers of organic foods know each other.

All the red meat for the restaurant comes from one supplier, Garnett-CBS of Northern Virginia. The beef, veal, lamb and pork are all additive-free. The poultry comes from a local grower and the fish from local fishermen. The restaurant also supports a small farm in West Virginia and buys other produce from Organic Farms in Maryland—one of the largest wholesalers on the East Coast. In addition, Pouillon grows herbs in a garden in front of the restaurant ("a great advertisement for our fresh-food philosophy," observes Pouillon) and supplements this crop from a local grower. Now and then, a neighbor carries an armload of arugula to the kitchen door.

Small growers are more reliable than larger suppliers, contends Pouillon, but—since there are no controls—you have to take their word that their produce is organically grown.

Across the continent, Greens restaurant in San Francisco, CA, echoes the difficulties of finding organic food sources. "It's a complicated, seat-of-the-pants process," maintains director Jay Kenyon. Like Nora's, Greens experiments with a range of small growers and, as a vegetarian restaurant, especially seeks out farmers who will custom-grow some produce.

Although the mix of ranches and farms varies each year, there are suppliers who have been with Greens for several years. Some of the regulars are a result of personal contacts at the Farmer's Market. Others brought their produce to the loading dock. Still others have been pursued by Greens. Owned by the Zen Center of San Francisco, Greens has more purchasing clout than most independent restaurants because Greens buys for its grocery store adjunct and three practice centers. In fact, Greens has hired a cook who also has full responsibility for produce ordering. She spends 10 hours a week buying supplies for Greens.

In neighboring Berkeley, CA, Chez Panisse evolved its unique approach to food as a result of unexpected local supplies. "People were coming to the kitchen with things from their gardens," says Tower. The local bounty inspired Tower to experiment with these ingredients and to look for other sources of fresh food as well. He started buying fish from deckhands on charter boats. And he started doing something else he describes as untraditional among chefs—sending back to distributors meat and produce he considered unacceptable.

Local food distributors began to respond, influenced by Panisse patrons who sought the restaurant's ingredients at local groceries as well as by the growing needs of the restaurant kitchen. Today in Berkeley there is an international network of grocery outlets and suppliers who can provide a vast range of food items.

> "There is no one source for everything you need"

"Sometimes you just run out of things"...

A fresh-food restaurant faces special challenges with its inventory. Eating fresh means that "sometimes you just run out of things," says Jan Lucas of Jerome's. "It's hard to plan so you're not left with leftovers. This means sometimes patrons don't get the special of their choice."

Nora's faces unusual problems in this area, too. The restaurant's specially-ordered organic meats are delivered by the carcass, requiring Pouillon to employ a full-time butcher and to find uses for the whole animal.

"I get tons of ground meat and stew

Planning the fresh-food search

"Find great sources," advises Nora Pouillon of Nora's Restaurant in Washington, DC. For some restaurateurs this means growing your own produce—at least a little. For most it means choosing a local supplier among an increasing number of specialty growers who are willing to serve a restaurateur's individual needs and, in the process, help their own businesses grow.

Here are some steps to begin your food search, based on the experience of independent restaurateurs featured in the *Nutrition and the American Restaurant* report.

1. Plan at the outset to spend extra time and extra money. It takes time to shop around for growers or suppliers who will provide specified items, and it takes money to buy and cook fresh. Two of the restaurateurs featured in the report estimated that offering fresh food entrees costs 25 to 30 percent more than offering meals using frozen, canned or processed ingredients.

2. Use local supplies if you can. It is costly and can be unreliable to order food from long distances. Shipping time and quantity assurance are special problems with long-distance orders.

3. Grow your own produce as much as possible; herbs are a good place to start. Herb gardens can make attractive decorating and advertising features, too.

4. Get your neighbors to grow for you or to share their harvests with you. Some restaurants barter meals for local produce.

5. Approach local and regional specialty growers, farmers and fishermen—even those who have never provided food for restaurants in the past. You can make your own deals, and help their businesses expand.

6. Ask established suppliers to fill your specified needs. Visit the plants and fisheries. Make your own selections. Build relationships with the people involved.

meat to two fillets," she says. It's a particular challenge to use these products and cook "light" at the same time. Thus, testicles may find their way on to the menu; but fatty sauces don't. And Nora has to explain why she no longer offers a popular dish for which the meat is, perhaps, not available.

Fresh ingredients and their treatment are inseparable. Basically, health-conscious chefs are cooking simpler and lighter fare. They are de-emphasizing fats and reducing salt and calories, leaving food as close to its natural state as possible.

"You should cook so that the color remains," says Jeremiah Tower. "The result is a style of food that's healthy and looks wonderful. Nutrition follows naturally." ❑

Cooking simple and light

All the chefs featured in the *Nutrition and the American Restaurant* report agree that today's healthier restaurant fare is the result of fresh foods that are cooked with lighter, simpler, more natural techniques. Most opt for quicker methods, too. All aim for visual appeal as well. Here are some of their guidelines:

1. Use no chemicals or preservatives and little or no salt. Opt for herbs whenever possible.
2. Focus on roasting, grilling, broiling or baking—not deep-fat frying or breading.
3. If you use sauces, keep them light. Consider combinations of olive oil or soy with lemon, lime, ginger or other herbs.
4. Prepare your own baked goods, condiments, breads, desserts, pasta, mayonnaise and salad dressings. In this way you can control more ingredients and more of the meal.
5. As Jeremiah Tower of Chez Panisse points out, there is no need for two vegetables and a potato on every plate. Look carefully at your side dishes. Tower pairs mesquite-grilled meat, poultry and fish with chutneys of fresh fruits and vegetables and light salads.

CASE REPORT

FRANKENMUTH BAVARIAN INN PROCESSES

60 TONS OF SQUASH

The Frankenmuth Bavarian Inn in Frankenmuth, MI, knows how to squeeze the most out of the area's annual squash harvest.

During an eight-week period this fall, the inn's squash crew processed 60 tons of the Blue Hubbard variety. Half will be served to diners before Christmas. The rest will be frozen in 18-pound bricks for use next summer.

"We can process about 150 squash in a 12-hour day," says Dorothy Zehnder, manager of the inn's kitchen, who has organized the squash operation over the past 33 years. "We hire six employees who work on nothing but the squash. They work two shifts, four days a week and turn a section of our kitchen into a genuine food processing plant."

The squash processors begin work each year in early October. This year 40 tons of squash were delivered Oct. 1 and stacked along the dike behind the inn. The other 20 tons were stored in a nearby barn.

Assembly line approach is used. . .

Zehnder has the processing down to a science. The assembly line approach is used for maximum efficiency.

About 200 squash are brought into the restaurant each morning. (They weigh between 40 and 60 pounds each.) The workers wash and then cut them with a high-powered butcher saw. A third person is in charge of the cooking.

The squash halves are raised into huge cookers on a hoist and steamed for 45 minutes. Once they cool, two more workers scrape the pulp out. One person supervises the crew.

Zehnder explained the squash is flavored with butter, brown sugar, salt and all-purpose seasoning right before serving. The vegetable has about 55 percent yield once it is cooked.

Squash in freezers around town. . .

The squash doesn't stay in the Frankenmuth Bavarian Inn kitchen very long. About 1,200 pounds are served to diners each weekend in the fall. The rest of the squash is frozen and stored—some at the inn and the rest in rented freezer space around town until it is served next July and August.

Although the processing allows the inn to extend the squash season on its menu, the project does create some problems. For example, most of the inn's part-time summer help is gone by the time the work begins so an extra crew is needed. There is some competition for equipment use as well since the squash crew needs meat cutters from the meat department and cooling racks from the baking department. The dishwashers end up with an extra load too—stacks of squash-stained pots and pans.

Squash processing at the Frankenmuth Bavarian Inn is a traditon. For the past 18 years, local farmer Fred Weiss has provided the squash. This year, four acres of his land yielded a record 93 tons. ❑

Food Moonlighters

New breed of specialty suppliers

by Jean Lawrence

Spurred on by the popularity of regional American foods, the number of door-to-door food entrepreneurs is growing. Here is an insider's look at how many of these suppliers get their start—valuable insight if you are contemplating marketing a speciality item or want to encourage the efforts of a local entrepreneur.

It all begins so innocently. Just six little words: "You ought to sell that cake." Perhaps it's "that spinach pate" or "smoked bluefish," even "that pear chutney" or "your magic marinade."

In any case, within months, a simple compliment can grow into an 18-hour-a-day dual existence of a regular daytime job and late-night cooking.

It's the world of the food moonlighters, the cadre of free-lance cooks working on the QT out of their own homes or in rented kitchens to supply a city's restaurants, carryouts, business meetings, caterers and food boutiques with goodies ranging from artichoke bread to zucchini sticks.

From cart to factory...

"Yes, people told me I should sell my cakes," confirms Dean Kolstad of Ms. Desserts in Baltimore, MD. "So I said, 'Why not?' and started baking. I used to bake until two in the morning and roll the warm cheesecakes over my snowy front lawn on a little cart in the dark and fall into bed. Then I'd be up at six a.m. to feed the kids and go out and deliver everything I had made before going back to start all over again—six or seven days a week."

Eventually, Kolstad went into partnership and opened a factory called Ms. Desserts.

Many of the bakers interviewed report that they tally the cost of their ingredients, packaging, outside help, if any, and other direct costs and triple or even quadruple it to arrive at a price for their goods. Most do not include their own labor at first. Kolstad reports that food costs at Ms. Desserts are a high 54 percent.

Backing from friends...

Money is a problem for most moonlighters. Even when they make a profit, cash flow can be troublesome. Jane Becker of Homespun, a cozy storefront in Washington, DC, that grew out of her expertise with cranberry chutney and now features an assortment of condiments, says the banks would not talk to her; and she got backing from friends instead.

Becker was a victim of Reaganomics. When her real-estate business slumped in 1980, she succumbed to the urging of friends and tried "to do something with" her "famous" cranberry chutney. Modest marketing efforts landed her a spot in a Christmas catalog in 1981. That, combined with a sample-dropping jaunt up the Eastern seaboard, brought her enough orders to justify opening her own kitchen.

Now, Becker cooks nearly six days a week while still keeping a hand in real estate. She turns out 500 jars of preserves, chutney, conserves and other condiments, such as cranberry catsup. Thus far, she has amassed nearly 100 accounts.

Cookies in a pizza oven...

Pizza, oddly, helped lead to Wendy Granat's success in the cookie business. She left a government job and started turning out her mother's macaroon cookie recipe in her uncle's pizza restaurant, in partnership with her sister. Thus was born Sweetykin, or as it is better known to connoisseurs of the ubiquitous cookie half dipped in chocolate, "Mother's Macaroons."

For obvious reasons, the pizza oven was soon abandoned in favor of various bakery and catering kitchens, where Granat whips up orders. Her biggest batch was 10,000.

A big problem for Chris Tencza, a free-lance public relations writer who markets a number of pastry items to name restaurants under the brand Sweet Things, is the isolation of baking alone. "It is also hard physical labor," she reports. "I do all my own shopping, and sometimes that means lugging 200 pounds of chocolate all by myself."

Creative marketing...

Marketing is the most exciting aspect of the business to most moonlighters. "It can be a wonderful, creative process," according to Tencza. Like the others interviewed, she relies on "word of mouth" and cold calls in which she takes samples around to even the most exalted restaurants and shops and leaves her name. In most cases, it's a COD business.

"You get a really good look at life in the marketplace," notes Kolstad. "Really, I see the cake as secondary. Starting this business was really a coming of age for me as a woman."

Although many moonlighters bake in legal kitchens, most have lived within the spirit rather than the letter of the law at some time during the development of their business.

Two catalysts...

Polly Russell, marketing director of the American Cafe restaurant group in Washington, DC, is familiar with the challenges.

"A large number of products sold in this country are produced at home," Russell insists. "I think it started because of the increasing awareness of food quality. People wanted more than they could get in packaged foods.

"I also think," continues Russell, "that we are trying to get away from the European influence and be proud of our purely American foods. Home products are a vital part of this revolution. People attach little pamphlets to their products and really invest them with their personality."

Like all food moonlighters, Granat, the mother of "Mother's Macaroons," would agree. "I really enjoy my cookies," she grins. "Each cookie is handmade with love. Literally handmade. I dip each one in the chocolate by hand." All 10,000 of them. ❑

HALF BAKED

Champagne and gold brooms to sweep away a bad reputation

There's nothing like champagne and gold brooms for cleaning up a less-than-classy image. That's what the Court of Two Sisters Restaurant in New Orleans, LA, had in mind when it christened a new flagstone sidewalk with 50 bottles of champagne and then swept it with gold-plated brooms.

The French Quarter, where the restaurant is located, has received unfavorable publicity about its dirty streets. The owners of the restaurant hoped the event would set an example in making New Orleans known as "Clean City, USA" before the 1984 World's Fair.

More than 10,000 tourists and residents were invited to view the christening and have a free drink of champagne on the restaurant. The Court of Two Sisters stocked up on 600 bottles of the bubbly for the occasion.

—USA Today

Organic food rates a write-off

A little research provided a large payoff for a couple with severe allergies to processed food. In a case decided by the tax court, this couple was allowed to deduct half of their $6,000 organic food bill as a medical expense. The couple figured they payed $3,000 more for their food than they would have if they shopped in supermarkets. One reason the tax court was unusually sympathetic to the couple's plea was because they backed up their claim for a deduction with ample evidence—including Department of Labor (DOL) data for the cost of food in their area.

—USA Today

Popcorn—not for humans only

Popcorn—it's an American favorite that isn't only for humans. Although going to the movies without a bag of popcorn is an incomplete experience, popcorn is more than a treat for some of man's furry and feathered friends. It's their breakfast, lunch and dinner. .

In Eagle Creek, OR, a group of cattle, horses, sheep, mules, donkeys, ducks, geese, pigs and billy goats live off popcorn, with only occasional grain and clover supplements. They eat two dozen 55-gallon drums and six 110-pound boxes of popcorn a week. Although the popcorn is stale and a lot of it flavored, it's free. Farmer Leon Whistler takes whatever he can get from The Poppers Supply Co. which turns over popcorn returned from grocery stores, theaters and carnivals.

The animals are discerning consumers and have their favorites. The horses prefer plain popcorn. The pigs like their popcorn cheese-coated. The colts opt for caramel and chocolate-coated popcorn. And the goats, true to form, gobble up anything.

—USA Today

An anniversary guessing game

A restaurant sells a lot of dinners in a 20-year period. But exactly how many? That was the question owner Billy Siegel put to the patrons of That Steak Joynt, Chicago, IL, as part of his month-long 20th anniversary celebration last fall.

This very carefully monitored contest had more than 500 participants. The entry guesses were kept under seal at the *Chicago Tribune* food department until the final day of the contest. The winning patron's crafty calculations yielded him a $150 bottle of Beaulieu Vinters, 1963 Cabernet Sauvignon, Georges de Latour Private Reserve, and dinner for four at the restaurant.

What was the correct number of dinners served in That Steak Joynt's 20-year history? A mere 2,438,257. The closest guess was 2,438,000.

***—NRA NEWS** interview*

One way to sweeten taxes

A sweet tooth can do more than add up calories. It can also help keep taxes low. That's what it does for a small town in Nevada. The 150 residents of Genoa keep their taxes low or eliminate them altogether with the proceeds from a yearly one-day candy sale and dance. Every fall, since 1919, visitors flock to Genoa to buy fudge rocky road, divinity, penuche and peanut brittle—homemade the old-fashioned way.

The proceeds go to pay for the town's electric bill for 1,919 street lights. Leftover money helps fund maintenance costs of the town's dirt side streets and Main Street buildings.

Last year's proceeds came to $7,200 for 800 pounds of candy.

—USA Today

NRA SEMINAR SCHEDULE

American Regional Cookery

1/25-26	New Orleans, LA

Banquets and Buffets

1/25-26	Reno, NV
2/28-29	Philadelphia, PA

Off-Premise Catering

1/23-24	Miami, FL
1/30-31	Boston, MA

Dining Room Management

1/16	San Diego, CA
1/17	San Francisco, CA
1/30	Denver, CO
1/31	Phoenix, AZ
2/2	Kansas City, MO
2/15	Louisville, KY
2/16	Milwaukee, WI
2/27	Tampa, FL
2/29	Birmingham, AL

Controlling Food Cost

1/23	Houston, TX
1/24	New Orleans, LA
2/27	Schaumburg, IL

Kitchen Management

1/16	Portland, OR
1/17	Seattle, WA
1/19	Los Angeles, CA
2/6	Albuquerque, NM
2/8	Wichita, KS
2/15	Washington, DC

Principles of Labor Cost Management

2/6	New York, NY

Advanced Labor Cost Management

2/7	New York, NY

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

1/16-17	Richmond, VA

Creative Merchandising Techniques

1/23	Atlanta, GA
2/24	Miami, FL

Motivation: Increasing the Desire to Do More and Better Work

1/26	Reno, NV
2/15	Portland, OR
2/27	Portland, ME

Basic Purchasing

1/9	Detroit, MI
2/20	Atlanta, GA

Soups and Sauces

2/6	Boston, MA
2/8	Philadelphia, PA

Basic Supervision in Foodservice

2/26	Washington, DC
2/28	Denver, CO

Train the Trainer

2/17	Spokane, WA

Wine: Sales and Merchandising

2/9	Cincinnati, OH

NRA Conferences 1984

1/9-12	**9th Annual Tableservice Conference** Las Vegas, NV
2/19-22	**National Conference on Computers in the Foodservice Industry** Orlando, FL
3/19-22	**2nd Annual Conference on Alcoholic Beverage Service** San Francisco, CA

NRA Hospitality Project Workshops

Dallas, TX

2/20-21	Fast Food
2/22-23	Full Service
2/27-28	Cafeteria

Washington, DC

3/5-6	Fast Food
3/7-8	Full Service
3/12-13	Cafeteria

For more information, contact:
NRA Education Programs
311 First Street, N. W.
Washington, DC 20001
800-424-5156

STUDY GROUP MEETINGS

Labor Relations

1/18-19	Dallas, TX

Market Research

2/29-3/2	Orlando, FL

Internal Audit

3/14-16	San Antonio, TX

Financial Officers

4/4-6	San Francisco, CA

Tax Executives

4/4-6	San Francisco, CA

Marketing Executives

4/8-11	Washington, D.C.

EDP

4/24-27	Clearwater Beach, FL

Purchasing

5/16-18	Chicago, IL

MAECO

5/16-18	Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

IN-HOUSE SEMINARS MAY BE ARRANGED UPON REQUEST.

NATIONAL CONFERENCE ON
COMPUTERS IN FOODSERVICE

Selecting a computer is like choosing a new pair of shoes. If you don't get the right fit, neither the shoes nor the computer will be of much use. What counts is finding your size in an appropriate style. You have had a lifetime of experience choosing the right shoes. But what about computers?

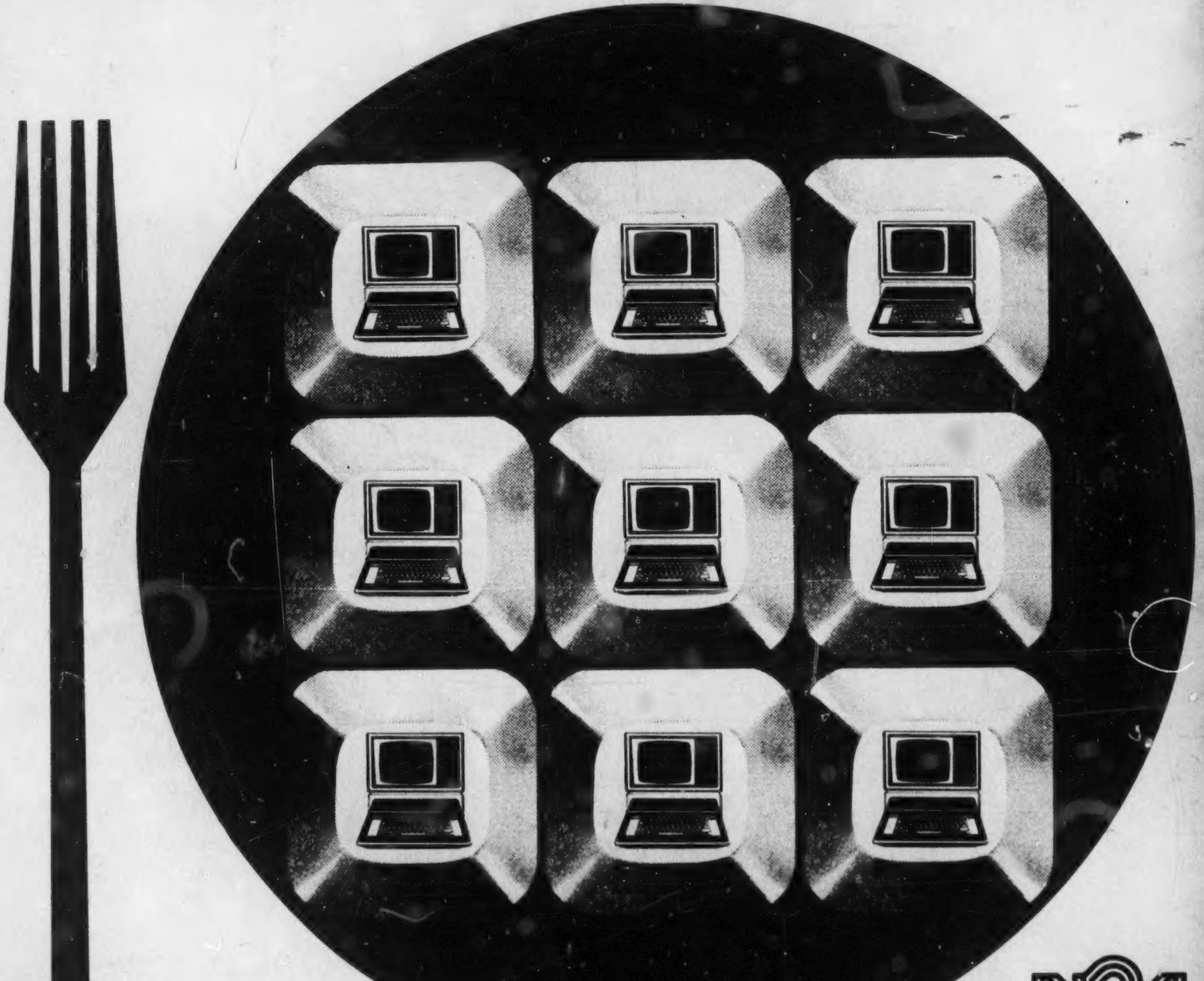
NRA's ***National Conference on Computers in Foodservice*** *wants to help you select and/or build a total computer system to fit your operation.*

There is no doubt that computers are one of the hottest technologies in the foodservice industry. Within the next few years, every operator who is going to survive the 80s should have a computer system in place. The size of your operation no longer matters. There is a system to match almost every situation. Attend ***Computers in Foodservice*** *and find out what is right for you.*

For more information, contact NRA's Education Programs Department at NRA, 311 First St., NW, Washington, DC 20001 or call (800) 424-5156.

FEBRUARY 19-22, 1984

ORLANDO, FLORIDA



NRA
NATIONAL RESTAURANT ASSOCIATION

National Restaurant Association

Vol. 4 □ No. 1 □ January 1984

NRA NEWS

30lbs Onions
16lbs Tomatoes
20lbs Peppers
14107803
Menu

CONTROLS

The hands-on system you can't do without

The U.S. Culinary Team—A Walking Advertisement for American Foodservice

1984 means the International Culinary Competition. Held in Frankfurt, Germany, in October, this competition will pit a team of top American chefs against teams from all over the world.

In 1980, the last time this competition was held, the American team won 31 gold and two silver medals. By walking off with top honors, the U.S. team showed the world that American cuisine had come of age.

The team prepares native American recipes using American produce. It concerns itself with nutritional balance and cost. The U.S. Culinary Team is in fact doing R & D for the industry.

Furthermore, the team is a walking advertisement for American foodservice. It is getting heavy media coverage in this country, and will receive worldwide attention next fall. It is raising the stature of foodservice at home and will advertise America as a vacation destination for people from around the globe.

The U.S. Culinary Team deserves the support of every foodservice operator in America. Please cut out the coupon below and return it with your contribution to our team.

Sincerely,

Walter J Conti

Walter Conti
Chairman, U.S. Culinary
Team Foundation

Contributions to the NRA/ACF USCT Foundation are deductible in computing taxes as authorized by law.

NRA NEWS

Vol. 4 No. 1 January 1984

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Andrew P. Poledor
James T. Rogers
Editorial Typist
Barbara Foley
Valerie Pines

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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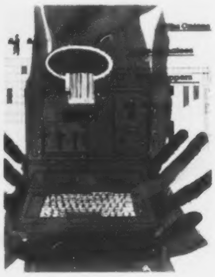

The beginning of a new year is a good time to take stock of operating procedures. And what could be more important to examine than controls? Controls are more critical today than ever before. Higher costs for labor, supplies, insurance, equipment, maintenance and other expenses, coupled with more cost-conscious restaurant patrons, underscore the need for improved efficiency. That is why in this issue NRA NEWS begins a series of articles designed to pinpoint measures that can tighten operating procedures and boost profits.

6	How computers can streamline operational controls.
10	Seven areas often overlooked in the campaign to control food costs.
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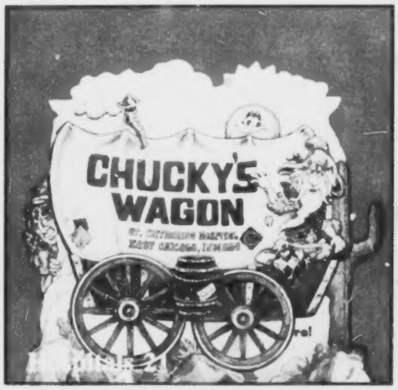

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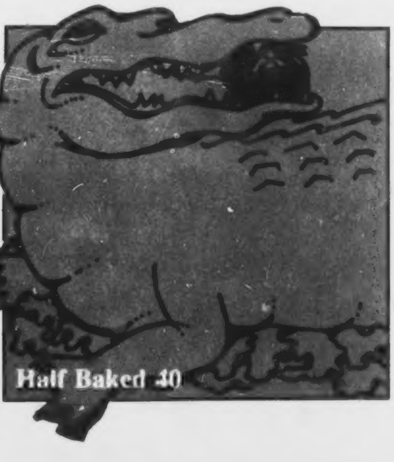


Half Baked 40

SHORT ORDER

NRA NEWS survey reports restaurateurs promote their busy periods

When a group of restaurant promoters get together, one of the controversial questions is: "Should a restaurant promote its busy times or the slow times?" Results of an NRA survey indicate most restaurateurs want to promote their busy periods.

In a recent ***NRA NEWS*** survey, NRA members were asked if they would be interested in subscribing to an NRA table tent series that would provide table tents for promoting holidays, special events and menu items. Respondents, who indicated they would be interested in the service, were also asked for which special events or menu items they would like to use table tent announcements. The most popular days were Valentine's Day and Mother's Day—traditionally two of the highest traffic days in restaurants.

According to the NPD Research, Inc., report commissioned by NRA, more American families dine out on Mother's Day than any other day of the year—nearly 30 percent. Valentine's Day is also popular among families—20.8 percent eat out on Valentine's Day. When singles are added to the dining out group, Valentine's Day becomes nearly as popular as Mother's Day. Other popular dining out days, according to the NPD report, include St. Patrick's Day, New Year's Eve, Father's Day and Secretary's Day—all which were also singled out by restaurateurs as days for which they would most like to use table tent announcements to promote their activities. In the menu category, table tent announcements were requested most frequently for price specials, menu items, special desserts, daily specials and seafood items.

The purpose of the table tent survey, which appeared in the September 1983 issue of ***NRA NEWS,*** was to gauge member interest in a table tent series that would aid in-house merchandising programs. Because of the limited response (350), the association will not provide the service at the present time.

Johnson and Wales College dedicates WANG computer center

The educational applications of state-of-the-art computer technology were recognized at Johnson & Wales College when it dedicated its new WANG computer center last fall.

The new computer center is the focal point of the college's degree programs in computer programming and computer systems management. Students in other programs, such as accounting, hotel-restaurant management and marketing, are also required to complete introductory computer studies.

World Hospitality Congress II

March 25-28 in Boston

Where the hospitality industry is going in a changing world will be the subject of a four-day international meeting, March 25-28 (1984) in Boston, MA. The event, named World Hospitality Congress II, is scheduled for the Westin Hotel. It is being sponsored by the Department of Hotel, Restaurant and Travel Administration at the University of Massachusetts in Amherst. Cooperating are numerous other universities, industry firms, professional organizations and specialists from various areas of the industry.

Robert C. Lewis, professor, Department of Hotel, Restaurant and Travel Administration at the University of MA and chairman of the Congress, indicates that the hospitality industry, its profitability and its direction will be the focus of discussion in this international forum for industry and allied industry professionals. A sharing of ideas and thoughts about the future directions of the industry will be the central theme of the event.

NRA IN ACTION

NRA focuses on your liquid assets

Plan to attend *Liquid Assets,* NRA's National Conference on Alcoholic Beverage Service, to be held in San Francisco, March 19-22. The subjects will range from management commitment to beverage service to products for the future. For more information, contact NRA's education programs department.

NRA digests employee luncheon break laws

NRA's legal information services department has prepared a federal digest and a state-by-state review of laws regulating employee rest and luncheon breaks. See *The Law* in this issue of ***NRA NEWS.***

New NRA publications

Check your mail for a flyer on recently published NRA publications. The flyer is an addendum to your NRA *Catalog of Publications.*

NRA membership directory to accept advertising

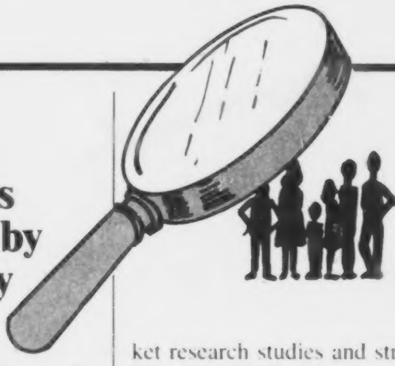
NRA allied members will be able to advertise in NRA's 1984-85 membership direc-

Among the scheduled topics are: strategic planning, hotel development, mergers and acquisitions, call accounting systems, consumer and marketing research, meeting planning integration, teleconferencing, key employee motivation, human resources, rooms merchandising, cost/margin analysis, syndicated data bases, restaurant mix, computer systems and quality strategies.

Format at the Congress will include individual presentations in concurrent sessions as well as panel discussions, symposia and workshops.

Copies of the program and registration information can be obtained from Robert C. Lewis, chairman, World Hospitality Congress II, Department of Hotel, Restaurant, and Travel Administration, Flint Laboratory, University of Massachusetts, Amherst, MA 01003. Telephone: (413) 545-2071 or (413) 545-1389.

Market research techniques discussed by NRA study group



NRA's Market Research Group met last fall in Nashville, TN, to discuss various topics in the market research field. Areas covered included

- a new technique to relate demographic characteristics to spending patterns to estimate the amount consumers are likely to spend on a particular item or service, such as restaurant meals
- how to predict consumer behavior by studying individual responses to different product characteristics
- how to conduct a tracking study
- how to coordinate market research studies and strategic planning
- how to develop new advertising strategies based on changing consumer attitudes and behavior. Research can be used to determine when an advertising campaign is becoming repetitious and losing its effectiveness
- how to maximize a consultant's services and
- market research's role in developing a new restaurant concept.

NRA's Market Research Group is a group of NRA members who specialize in market research and who are interested in exchanging information on research techniques and learning about new methodologies. The group meets twice a year—in the spring and in the fall. The next meeting will be held February 29-March 2, 1984 in Orlando, FL. For more information, please contact Bette B. Hoyt at NRA's Washington office, 311 First Street, N.W., Washington, DC 20001.

Kitchen lore at specialty store

The next time you're in New York City you may want to make your way to 1435 Lexington Avenue. That's the location of a new store called Kitchen Arts and Letters. Its steadily increasing inventory includes 2,400 cooking titles, covering all aspects of the world of food—cooking, culinary history, wine and viticulture, growing fruits and vegetables, nutrition, commentaries, restaurant guides, memoirs, even food-related fiction.

In addition, the store stocks original art and photography related to food and cooking, kitchen-related stationery goods and unusual memorabilia, such as antique food and wine labels, early food packaging and advertising, restaurant postcards and crate labels.

The store is run by Nahum Waxman, a specialist in food publishing.

tory—*Who's Who in the Foodservice Industry*. This will be the first year the directory will accept advertising. For more information, contact NRA's membership services department.

NRA to produce "Know Your Limit" table tents

To help NRA members remind their customers to responsibly monitor their own alcoholic beverage consumption, NRA is preparing "Know Your limit" table tents. Look for more information on the table tents in the mail next month or contact NRA's Communications Department.

NRA seminar package to be offered

The education programs department will offer five NRA seminars in a conference format in Atlantic City, NJ, April 9-10. The conference format is designed for maximum attendance by minimum personnel. The program will focus on new profit and sales opportunities as well as front and back-of-the-house management. A company will be able to send three people to cover all five programs. For more information, contact NRA education programs department or look for information on the program in the mail next month.

Top restaurant spending cities

If you've ever wondered which seven cities reap the highest dining out dollars per capita, here's the answer from *The Book of American City Rankings*.

Honolulu, HA, heads the list. Each year the sum spent on restaurants and bars comes to $1,143.77 per person.

Anchorage, AK, is a close second with $1,095.46.

Falling right behind are San Francisco, CA, $1,033.38; Seattle, WA, $997.81; Madison, WI, $896.18; Boston, MA, $884.49 and Portland, OR, $850.57.

WASHINGTON REPORT

Business meal deduction under fire again

Congress is expected to resume work on a tax bill shortly after it reconvenes on Jan. 23. One of the tax proposals that may be considered is a Democratic Study Group (DSG) plan that calls for a one-third reduction in the business meal deduction.

The DSG measure would reduce the current 100 percent deduction for business entertainment expenses to 66 percent. Eliminating one-third of the deduction could raise as much as $3 billion in new revenue over a three-year period, according to some estimates.

U.S. Senator and presidential candidate Gary Hart (D-CO) has also introduced a bill to reduce the business meal deduction. The bill (S. 2097) would reduce the allowable deduction from 100 percent to 70 percent. Savings to the Treasury would be used to offset budget cuts made in the school lunch program.

According to Hart, if 30 percent of the business meal deduction were disallowed, the Treasury would collect an extra $1 billion in FY 1984 and another $1.1 billion in FY 1985. Hart would use this additional revenue to restore the "reduced price meal" in the school lunch program to 20¢ (currently set at 40¢) and restore the reduced price eligibility level to its 1981 threshold (thereby increasing the number of children eligible for the program).

The business meal deduction will once again be an issue when Congress reconvenes this month.

Neither Hart nor the DSG has mentioned the effect of these reductions on the foodservice industry. During last year's congressional debate on business meals, NRA estimated that a 50 percent reduction in deductibility would result in the loss of over 100,000 foodservice jobs and a decline in sales that could approach $3 billion. NRA also estimated that a reduction in taxes paid by restaurateurs, combined with increased unemployment insurance contributions, would cost the federal government up to $506 million a year.

Although the Hart and DSG proposals have a slim chance of passing, NRA is concerned about them and encourages its members to tell their congressmen and senators that they oppose such reductions.

Final SBA size rules expected

Final Small Business Administration (SBA) size standard rules are nearly completed and may be published soon in the *Federal Register*. The rules would establish new small business size standards, which are used to determine a firm's eligibility for SBA assistance and loans. Under a proposal published in the May 6, 1983, *Federal Register*, the size standard for restaurants would be raised from $2 million in annual sales to $3.5 million—an increase of 75 percent.

The last change in the standards occurred in 1975, and SBA said in its proposal that adjustments were needed to reflect the inflation rate over the eight-year period. SBA has apparently abandoned an earlier proposal that would have changed the size standard from one based on annual gross sales to one based on total number of employees in an establishment. Under that proposal, a restaurant with 100 or fewer employees would have been considered "small."

SBA said its latest proposal generated over 1,000 comments as well as testimony from two days of hearings before the House Small Business Committee.

The Office of Management and Budget must sign off on the final rules before they can be published in the *Federal Register*. The final rules will become effective 30 days from their publication date.

Heinz introduces TJTC extension bill

US. Sen. John Heinz (R-PA) has introduced a bill (S. 2185) to extend the Targeted Jobs Tax Credit (TJTC) through the end of 1989. Unless Congress acts, the credit will expire at the end of 1984.

The Heinz bill would make no major changes in the TJTC program and has the support of Sens. Pete Domenici (R-NM), Charles Grassley (R-IA), Steven Symms (R-ID), Daniel Moynihan (D-NY), Lawton Chiles (D-FL), David Boren (D-OK), Strom Thurmond (R-SC), Alan Cranston (D-CA), Dennis DeConcini (D-AZ), Daniel Inouye (D-HI), David Durenberger (R-MN), Max Baucus (D-MT), Malcolm Wallop (R-WY) and David Pryor (D-AR). Since nine of the above are members of the Finance Committee, where the bill was referred, chances are good it will get serious consideration this year.

Heinz, a long-time proponent of TJTC, said, "I feel strongly that Congress should again renew this valuable program." TJTC allows an employer a tax credit of 50 percent of a qualified employee's first-year wages and 25 percent of his second-year wages. Qualified employees must be members of one of nine targeted groups and be certified by a state jobs service office prior to employment.

The credit "offers a way out of poverty and joblessness for those who are economically disadvantaged or lacking basic skills," Heinz said. He also said that TJTC "helps lower the deficit. High unemployment among these groups costs the Treasury money by driving up spending under income security programs."

NRA has long been an advocate of the program and worked for its extension in 1979, 1981 and 1982.

NRA trying to clarify investment tax credit

NRA is trying to correct discrepancies in the Internal Revenue Service's (IRS) application of the Investment Tax Credit (ITC). Many foodservice tax specialists have found that while certain items are eligible for the credit in one area of the country, they are not eligible in another. This has led to lengthy audit and appeal procedures, often resolved by a numerical agreement that does not help in clarifying the law with respect to individual items.

The ITC was established by Congress in 1962. It allows an employer a tax credit of 10 percent of the cost of a qualified item. The credit may be taken for equipment and other property used to operate a business, but it is not allowed for buildings or structural components of buildings. IRS rulings as well as court cases have attempted to better define which items of property are eligible for the credit, but there is still confusion regarding some items which can be construed as tangible personal property but are treated as part of a building by IRS.

An example of this is a chandelier, which is often contested by IRS. In those cases where a chandelier provides the only lighting in the foyer of a restaurant or hotel, the chandelier is considered a structural component of the building because it relates to the operation and maintenance of the building regardless of the use of the building.

However, some chandeliers are merely decorative and possibly provide minimal lighting in a dining room or meeting room which has other light sources. In this case, NRA believes that the chandelier serves a function in the operation of the business and is eligible for the credit.

The courts have established various tests to determine the character of property, but they are not uniformly applied by IRS field agents. NRA's goal is to clarify the many property categories, alleviate the tremendous accounting problems that exist and provide for the proper use of the credit as Congress intended.

NRA and other business representatives have met with IRS to discuss this problem. IRS and the industry group agreed that it would be helpful to canvas industry members and develop a list of items which are frequently disputed under the ITC provisions of the tax code. This list would then be used as the basis for proposed IRS rule changes to clear up confusion in this area of the law.

If you have had problems in taking the ITC, NRA would like to know which items IRS has contested. Contact Laura Van Etten, Government Relations Department, 311 First Street, N.W., Washington, DC 20001 (800/424-5156).

IRS publishes tip reporting explanation

The Internal Revenue Service (IRS) has published an explanation of the new tip reporting law for the benefit of employees, and it is now available from state IRS distribution centers.

"Information on Tip Reporting and Allocation," Publication 1215 (10-83), summarizes the new regulations, explains how the IRS allocation formula works, provides a question and answer section on the new law and includes a full-page notice to employees that can be put on a bulletin board.

Call your district IRS office to find out how to obtain a copy.

House to consider immigration bill

The immigration reform bill (H.R. 1510) that House Speaker Thomas (Tip) O'Neill (D-MA) blocked last year will be taken up early this year, reflecting a change in O'Neill's position on the legislation.

Last fall, O'Neill kept the bill bottled up in the Rules Committee because of concern over Hispanic opposition. The bill easily passed the Senate last May and had been moving slowly but surely through the House. It was reported from the Judiciary Committee and needed only Rules Committee approval to get to the House floor.

Hispanics feared that the bill, which calls for stiff sanctions against employers who "knowingly" hire an illegal alien, would lead to discrimination against foreign-born citizens. O'Neill is now said to believe that a compromise can be reached, between the bill's supporters and the Hispanic groups.

NRA and other business groups have supported an amendment by Rep. Thomas Kindness (R-OH) that would make many of the proposed recordkeeping requirements optional.

—Jay Morris

30lbs Onions
16lbs Tomatoes
20lbs Peppers
14107803
BROUGHT FORWARD

The most critical factor in determining the success of a foodservice operation is control. Computers bring discipline to procedures. Generally speaking, computers can help an operator stay in control of two major activities: those that are service oriented and those that are management oriented. Although these two activities often overlap, for the purpose of discussion, transactions pertaining to the life of a guest check will be considered service-oriented activities while the allocation and implementation of a restaurant's resources will be grouped as management-oriented.

Computers bring discipline to procedures. They can be programmed to force users to follow a predesignated series of steps. For example, when opening a guest check, a system might require entry of the check's serial number. The hurried server who tries to skip over this step will find it impossible. The system will require a response before it will allow the server to continue the transaction.

Generally speaking, computers can help an operator stay in control of two major activities: those that are service oriented and those that are management oriented. Although these two activities often overlap, for the purpose of discussion, transactions pertaining to the life of a guest check will be considered service-oriented activities while the allocation and implementation of a restaurant's resources will be grouped as management-oriented.

Service-oriented control techniques . . .

Service-oriented controls encompass food preparation, production, service and settlement. The computer can provide an operator with significant controls in production authorization (prechecking), guest check usage (check tracking), menu items sales (menu mix) and revenues (settlement).

Prechecking

Prechecking systems are one of the most popular service-oriented control techniques. With an automated precheck system, gains in controls can be experienced at both the production and service levels of operations. The concept of prechecking requires that a printed requisition be sent to the preparation area (kitchen) prior to the production and dispensing of any food item (service). The presence of a written record establishes authorization in the preparation area and accountability in the service area. In other words, unless a server has proof that an item was entered into the precheck mechanism, that item may not be taken from the kitchen.

Also present in the system is a journal printer that records all transactions entered anywhere in the system. This provides management with a sound internal feedback mechanism. An electronic cash register terminal with order capabilities and connected to remote workstation printers adds to the efficiency of the system. Servers remain at their service stations while orders are electronically transmitted to the kitchen. The employment of an expediter, to carry ready-to-serve orders into the dining room, further enables a streamlining of the service function.

Check tracking

As a complement to prechecking, which communicates service orders to the production area, check tracking enables both servers and management to monitor open guest checks within the system. There are software application packages available that can report the serial number, time of creation, server code, account balance and table number for every open check in the system. This capability has been credited with a reduction in walkouts/skippers and with providing rapid feedback on service times and patterns. It also has cut down on the number of missing or unaccountable checks. At any point in time, an open check report can be printed to highlight those checks which have been open too long (potential walkout) and/or those checks that have a very large outstanding balance (high risk accounts).

The system makes it possible to post both food and beverage transactions to an outstanding guest check from any one of several remote order entry points, thus assuring one check per guest. In other words, the server need not return to the same register device to post items to an existing guest check. Any device in the system will support this effort. A guest, for example, waiting for a table may order a drink in the lounge. The server establishes an account for this guest by initiating a new check. This same check could later be used to trace additional purchases made in the dining room.

The final preparation of a guest check leads to settlement (closed checks). The closing of previously open accounts terminate the accessing to those accounts and requires a reconciliation and settlement. A closed check report can be extremely important in monitoring employee check accountability and evaluating server productivity (number of tables served). The entire area of check tracking is an important one and requires constant review by management to remain a strong control technique.

Menu mix

An automated system can also track sales of each menu item. Sales can be segmented by day, by meal period, by hour, by server and by food groupings, providing management with invaluable information for control, analysis and planning purposes. Most systems are also capable of computing the percentage of sales each item contributes to the total. This data provides insight into sales indices (peaks and valleys) and turnover factors.

From a service-oriented perspective the menu mix is a critical component of the overall business plan. Knowing what has been sold (sales) provides the basis for determining how many dollars were generated (revenues). Revenue analysis, like menu mix analysis, can be performed in various frameworks—along different time lines and across several food groupings. The feedback provided by revenue analysis is essential to generating eventual financial statistics and statements elsewhere in an integrated system.

Settlement

Computerized terminals ensure proper addition of accurately priced items, application of tax and gratuity and correct guest check totals and guest methods of payment. Most sophisticated electronic cash registers (ECR) contain several settlement keys that distinguish between cash, credit cards, house accounts and other methods of deferred payments. The use of on-line credit card authorization terminals, which automatically read and verify the validity of a card and its credit limit, enhances the foodservice operator's ability to collect receivables in a timely manner.

Discounts, coupons, employee meals, specials and the like also can be tracked.

Management-oriented control techniques. . .

The area of management-oriented controls is quite expansive, incorporating inventory control, payroll, general ledger accounting, pre- and post-costing as well as menu engineering. Although there are additional application areas and many variations of applications within each area, here is a representative review.

Inventory control

Since food costs average 40 percent of each foodservice dollar, an effective inventory control process is essential so only the most necessary dollars are tied up in inventory. However, correctly equating purchases to production is a mathematical relationship not easily defined or achieved operationally. There will always be variables that deserve attention in an inventory model, such as stock that does not correlate well with its recipe, waste, spoilage and even pilferage. Because automated systems tend to track sales and then reflect those transactions on goods in inventory, they represent a perpetual (running balance) inventory. In other words, they represent what the inventory *should* be based on what has been sold. To check actual stock on hand, a physical inventory should be taken on a regular basis. Discrepancies between these two balances must be reconciled to determine the causes of the differences.

Despite its importance, inventory modeling is the least uniform computer application area. Although most managers control their inventory on an issue unit basis, some systems focus on purchase units only, while other systems use recipe units. Certain assumptions of unit associations are inherent in many foodservice systems, and the user should be familiar with these designs. Without a knowledge of these principles, the transition from ingredients purchased to menu items sold is only a rough approximation at best.

The inventory dilemma gets even more complex when discussed from a computer processing viewpoint. Cash register systems typically handle inventory by recipe or count units, and this practice requires the restaurant to reorient itself to these units. All standardized recipes may need to be converted to reflect a recipe unit, rather than simply a weight or other common description. This change creates an awkward situation for production personnel and cumbersome procedures for data input. The obvious reason for initiating these changes is to facilitate perpetual inventory computation, but many operators refuse to make the necessary procedural changes because it forces them to fit their business to the computer rather than the reverse.

Payroll

Another major area of concern is the payroll department. Because the foodservice industry is highly labor intensive, control over the payroll function is critical. Not only is the labor intensity of the industry an important factor, but coupled with the high degree of employee turnover and strict government regulations, this area also is one of the most logical for automation. In the course of one day, an employee may work as a host for one hour, a chef's assistant for two hours, a dishwasher for one hour and a bartender for three hours. Assuming each job is associated with a different pay scale and that many employees work on a swing shift, the payroll clerk can have a cumbersome task of manually calculating the proper wages, deductions and tip credits. An automated system can greatly simplify the process. Because payroll accounting is one area that has been given a large amount of attention in recent years and will continue to be actively pursued by system specialists, there are several software packages available.

Cash register systems can be equipped with sign-in and sign-out keys that allow employees to log hours through the register. Sophisticated time clock-based systems are beginning to emerge that compile comprehensive payroll summary reports. Not only can such a system retain data from the current period, but it also can store work histories and other information and compare trackings with historical periods.

Payroll systems can also be interfaced to a line printer capable of printing and signing (signature stamping) payroll checks. System-produced checks are not a new idea, but producing them in-house is. Formerly, restaurateurs might have contracted with service bureaus for payroll determination and recordkeeping as well as check printing. These no longer have to be off-the-premises procedures. Additional features of a payroll system that make it especially attractive to the foodservice area include its ability to handle employee meals and departmental reports, to correlate sales and labor expenditures, to schedule employee hours, and to keep overtime/sick pay records.

General ledger accounting

General ledger accounting usually spans such broad areas as accounts receivable, accounts payable, budgeting, bank reconciliation and check audit reporting. The accounting component of the foodservice package closely resembles its counterpart in other industries. Major similarities exist in the accounts receivable and payable sector, since invoices need to be processed, errors detected, vendor transactions recorded and receivables aged. Although most foodservice operators may not operate according to their projected budgetary

10 common computer misconceptions

1. Buy hardware first, software second
(Make sure you find the software capabilities you need first, and then find the appropriate hardware.)

2. All computer systems have the same capabilities
(The operating systems and software differ greatly from system to system.)

3. Energy backup systems are the most critical
(Informational backup is more important.)

4. Accounting personnel make the best system managers
(What managers need are human relations skills and creativity.)

Source: National Restaurant Association survey of 1,000 diners.

expenditures, automated systems are exceptionally adept at generating dynamic (multiple sales level) budgets. Some systems might even provide a program that allows management to simulate a business cycle and subsequently generate an associated budget. In some systems, the accounting module is constructed according to the Uniform System of Accounts for Restaurants. This strong feature forces operators to adhere to a standardized chart of accounts and yields statistics that can be evaluated across the foodservice industry. Expense disbursements also can be monitored through the general ledger package. The ability to settle invoices in a manner consistent with managerial policies (taking payment discount terms) and to audit the check-writing function are important control features found in an accounting module.

Pre/postcosting

Precosting is a technique to determine potential food costs prior to the actual procurement, production and service of a meal. A precosting system enables management to review, revise and/or abandon a menu plan based upon an evaluation of its ability to meet budgetary constraints. A system's capacity to produce valuable precost information is predicated on three types of data: cost figures, recipes and the menu plan. An accurate cost for every food item (ingredient) purchased must be identified and carried at current cost. Inaccurate historical costs will produce erroneous financial information that will flaw the decision-making process.

The second important data component is a set of recipes. Every menu item served is assumed to be prepared from a tested and well-documented standard recipe. A standard recipe, containing a list of required ingredients and their quantities, generates a predetermined batch yield and portion size for each menu item. This element is critical to the precost scheme.

The third data requirement involves the menu plan. Each menu item must be identified with a projected number of portions that will be sold. Even with a fixed or cyclical menu, portion projections are likely to be different at different times. Changes in the season, economy and other variables will all affect estimates.

The application of precosting in foodservice is not new. What is new is the ease, speed and accuracy by which the analysis can be conducted with the help of computers. Recently, the first telecommunication link between a food purveyor and its customers was tested and implemented. The purpose of the link was twofold: 1) to provide up-to-date costs for all ingredients over telephone lines from the purveyor's file to the customer's on-line data file and 2) to serve as a planning tool for the foodservice operator in developing and dispatching purchase orders back to the purveyor.

Postcosting completes the total cost control cycle by providing feedback of potential food costs, given actual counts of menu items consumed. By replacing the projected number of portions associated with each menu item in the precost with each actual sales data, insight into efficiency of forecasting, purchasing, production and service can be studied. Postcosting, because it also works with standard recipe units and, hence, standard costs, is not the only comparison which should be made against the precost benchmark. The actual counts and costs for a given meal period should be matched to the postcost (potential cost with actual counts) and precost (potential cost with projected counts) to provide a more meaningful cost control evaluation.

Menu engineering

The development of a computerized tool capable of evaluating the strength of a menu is a relatively recent phenomenon. This control technique, referred to as "menu engineering," is primarily concerned with the number of each menu item sold and the contribution margin gained from those sales. This model begins with the premise that food costing is basically an after service control technique that pinpoints inefficiencies in storage, preparation, production and service. To develop a stronger internal contol mechanism, foodservice operators are turning to a sophisticated gross profit theory capable of analyzing pricing, marketing and elasticity of demand for menu items.

Perhaps more important than any other control aspect of the restaurant is the determination of a price that is aimed at covering costs and realizing a profit. It is this type of control that menu engineering primarily focuses on. Menu engineering is typically applied to a menu following its service. Likewise, it works just as well with estimated demands and/or hypothetical menu plans.

Computers are a management tool that can enhance controls. It is the computer's ability to apply discipline to procedures that gives it an edge over alternate methods in both service-oriented and management-oriented areas of foodservice management.

5. Most vendors support both hardware and software
(This is not true, especially for original equipment manufacturers [OEMs].)

6. Computers can do everything
(Computers can only do the things they are programmed to do.)

7. Computers control system usage
(Computers don't question legitimacy or false authority. They don't care who is asking as long as the person understands the code.)

8. Computers experience large amounts of downtime
(Actually, the average uptime is better than 99.5 percent.)

9. Redundant memory is expanded memory
(Duplication is not expansion. If a piece of data appears in one memory, it also appears in the other.)

10. Industry software packages all work
(This is not true. Be sure to fit the computer to your business, not the other way around.)

7 WAYS TO UPGRADE YOUR FOOD COST CONTROL

by Stephen G. Miller
President, Miller Resource Group

Controlling food cost continues to be a major problem facing restaurant owners and managers. The ability to control the purchase, production and sale of food items often determines the survival of the company, not to mention its success and profitability.

While critical in the past, controls are even more important today. Today a restaurant faces even more pressure from other cost areas, such as utilities, supplies, repairs, maintenance, taxation, insurance, labor and related payroll taxes.

The consumer does not understand these increasing costs and is reluctant to accept higher prices to offset these increases. Consequently, a restaurateur cannot easily pass the higher costs along and needs to increase controls and improve efficiency to make a profit.

Cost control approaches...

Here are some key areas to keep in mind.

1. Record all sales. Although this may seem unrelated to controlling food costs, think about the effect unrecorded sales have on your food costs. For example, if a restaurant has sales of $20,000 per week and operates at 38 percent food cost, the restaurant will spend $7,600 for food each week. If 10 percent of these sales are not recorded for whatever reason, the food cost percentage will climb from 38 percent to 42.2 percent—a big increase.

$ 7,600 cost of food sold
$20,000 sales = 38 percent food cost

$ 7,600 cost of food sold
$18,000 sales ($20,000 sales − $2,000 unrecorded sale) = 42.2 percent food cost

The basic procedure is to record all sales either on a guest check (best method) or a cash register tape. Ideally, each day's food production will be compared to actual sales, and any variances will be reconciled.

Happily, there are a variety of electronic cash registers that will assist you with the onerous clerical work required. Many can lay a sales audit trail, pinpoint missing checks and accumulate sales totals by item to compare with production totals.

However, if the system is to work, it will require discipline. All food sales must be rung up, and no food should leave the kitchen without a register record slip. The people most likely to violate this principle are operators and managers. If you violate the system, sooner or later so will your employees, and the capital investment for the equipment will be wasted.

2. Institute accurate receiving procedures. Make sure you get what you pay for. If you do not receive the quality merchandise you pay for, you are beaten before you start. Accurate receiving seems straightforward because there is so much common sense involved, but the system often breaks down because of a lack of management commitment. Make sure you

- compare weights received to weights on the invoice
- compare the number of items received to the invoiced number
- compare sizes and physical characteristics with those stated on invoices
- compare quality received with quality specified
- compare purchase price with invoice price
- check all mathematical computations for accuracy and
- make sure all corrections, damaged goods and wrong items are credited and that the credit information clears both your accounting department and the supplier's accounting department.

3. Be sure the salad bar or buffet is profitable. Many restaurateurs feature a salad bar or buffet because of its customer appeal. All too often, however, they pay little, if any, attention to profit considerations and, consequently, food cost problems arise.

The first step to staying in control of salad bar expenses is to make sure you know how much you are spending. To determine the food cost of a salad bar or buffet choose a moderately slow day. Record and cost out all items used to set up and replenish the salad bar. After service is completed, record and cost out any products that are leftover in prime condition—giving a maximum credit of 50 percent of the original value. Subtract the returned merchandise value from the original issue and replenishment costs. This will result in the total cost of the salad bar or buffet.

Next, divide the cost of the buffet or salad bar by the number of customers served. The resulting figure will give the cost per customer. Compare the cost to the revenue produced, and determine if your profit levels are appropriate.

If your profitability is correct, congratulations! If not, here are some possible changes you can implement:

- revise pricing
- change ingredients offered
- change china sizes
- change ingredients' portion, size or composition
- change ingredients' location
- change ordering procedures, making them tableside rather than self-service
- change amount of product displayed and/or
- change serving utensils.

These changes do not necessarily mean cutting back on your food quality. Instead, the emphasis is put on reducing waste and offering more colorful, tasty, low-cost items.

4. Anticipate market and other irregularities. Lobster tails, fried chicken pieces, steaks, orders of prime rib and many of the other traditional entrees are fairly easy to control by the portion. They can be held fresh or frozen until needed. As restaurateurs offer more complex menu items prepared on site, however, they must pay more attention to forecasting. Weather conditions, seasonal variations in product availability and other factors all affect food cost levels.

For example, the marketplace may not be able to provide uniform ingredients (size, weight, shape, chemical composition, other physical properties) for certain perishable items. Often nature is not too cooperative either. Seafood and fresh produce may vary considerably from shipment to shipment, and different brands can yield very different results.

You must plan for problems when designing menus, developing recipes and establishing prices, so you can protect yourself from an unfortunate financial surprise. Such production control efforts will pay off in consistent quality and improved staff morale. When the managers, chefs and other supervisors believe the cost evaluation system reflects the areas they can control, they will be more willing to invest their time, energy and creativity into these systems. When they believe luck is the criteria for success, then they will operate the system without investing of themselves.

5. Food estimations should reflect current prices. taurateurs use estimations of cost that are based on prices that are years old, perhaps going back to when they opened the business. This can cause serious problems in controlling food costs. Restaurateurs should know current costs for each menu item by staying up to date with each ingredient cost change. This is time well spent.

Be particularly careful if you use a single ingredient in a variety of forms as, for example, ground beef in hamburger, meat loaf, spaghetti sauce, lasagna and Swedish meatballs. Many operators develop financial trouble by not charging full cost to one or more uses of a versatile ingredient.

Many operations lack the staff, time, energy and interest to advise menu costs frequently, so they estimate the cost of minor ingredients. In addition, operators often estimate yields on consumption per customer for a variety of products to arrive at a fair price for their menu item. This is frequently done for butter, salad dressing, pancake syrup, crackers, bread and many other items.

One quick way to check your estimations is to track your consumption of salad dressing for a week. Take a salad dressing inventory at the beginning of the week (use ounces or gallons or dollar price). Add any shipments you receive or dressing you manufacture during the week. At the end of the week, subtract the dressing remaining. Divide this by the number of salads served or perhaps your guest count. The resulting figure will be your salad dressing consumption per customer.

The actual consumption may be quite different from your previous estimations. Use the current, more realistic estimates and repeat the process periodically. If the difference is significantly greater, revise your operating systems.

Too often restaurateurs discount products and end up losing money. Leftovers are one example. There is no reason why barbecue beef from leftover roast beef, creamed chicken from leftover banquet service chicken, and soups made from a wide range of ingredients should not command a fair market price. If you are regularly overproducing, forecast more accurately to reduce production levels. Try to design menu items that utilize leftovers and consider using quality leftovers in the bar for happy hour. Often the value can be significant, particularly for a successful, high volume happy hour operation.

6. Beware of the hidden ingredient cost. In most restaurants there are some ingredients that are used frequently, represent considerable dollar expenditures and are generally ignored by chefs, managers and owners. These ingredients can generate serious food cost problems. Typical examples of problem products include deep frying shortening, salad oil, sour cream, breading, crackers and cooking butter, but they will vary depending on your menu and production methods.

As a quick rule of thumb, keep track of any ingredient that represents more than three-tenths of one percent of the cost of food sold if it is not directly related to a single entree, appetizer, dessert or beverage selection. For a $1,000,000 sales operation with a 40 percent food cost, for example, this would include any ingredient that cost you $1,200 or more a year.

When you identify these hidden cost items on your menu, review how they are handled by your purchasing, receiving, production and service personnel. Are these items being used judiciously—in proper proportions and in the right dishes?

These items are deceptive because their unit cost is generally low. Yet the amount times the large number of portions creates an expense problem.

Butter used in cooking is likely to be a hidden cost product. It is fairly expensive, yet cooks use it so often they take it for granted.

Crackers are another hidden cost item. The unit cost is low, and consumption would appear to relate to soup and salad sales. Actual consumption is more likely to be several times the projected consumption due to extra service, breakage and employee snacking.

7. Beware of administrative cost adjustments. Discounts, promotions, transfers, errors, walkouts and tradeouts all add to the food cost percentage. Are you holding your production people responsible for these costs? Their morale will improve and their commitment to your business will increase if you monitor and adjust for these costs.

In sum. . .

These seven areas are often overlooked in the campaign to control food costs. Perhaps one of them will help you solve a problem. ❑

14 WAYS TO STAY IN CONTROL OF YOUR BEVERAGE OPERATION

by Mike Parise

What would you do if the cost of your well vodka went up six dollars a case? You'd probably be fuming, and change purveyors if you could. But that's not the only way you could be paying more than you should for your beverages. Drinks can be overpoured, given away or otherwise wasted. Here are some controls you should keep in mind to make sure you are getting the most profit from your beverage operation.

1 **Portion control.** If you are estimating what your liquor costs should be based on past performance, industry averages or your neighbors' costs, you may be losing an opportunity to increase profits. Your potential liquor cost is based on recipes and portions. (See sidebar for how to determine liquor cost potential.) There are recipes for every drink made, and there are as many variances to these recipes as there are bartenders. So, just as with your food, you should have standardized recipes for *all* your drinks, from a Bourbon Neat to a Long Island Tea.

Because all bar recipes require portions, the first step in controlling your beverage cost is to control those portions. Portion control methods range from free-pour to computer-pour. The choice is yours. Free pour, pouring directly into the glass without the use of any portioning devices, is the most difficult way to control your portions. One of the least expensive control methods that works is to measure drinks with a shot glass. When used without trail, drag, splash and so forth, shot glass pouring is well-accepted by guests and slows service only slightly from free-pour.

Next come a range of gadgets and computerized devices. The important questions to ask when considering these methods of portion control are: "Does it slow down service?" "Is it reliable?" "Is it cost-effective?" "Will my guests and employees accept it?" "Does it offer the dispensing capability my operation requires?" "Does it give me the control I'm looking for?"

One portion-control device that is misused more often than most is the beer glass for draft beer. (Rig the beer drain so it runs into a gallon milk container one night and you will see!) To avoid problems, make sure you have proper temperature, proper pressure and properly trained bartenders. Your salesman should help you with these techniques.

2

Receiving and storeroom control. Just as with food, all the liquor should be checked in at the back door against the purchase order, then against the invoice to ensure no shortages, no overages, no damages, no incorrect prices and so forth. (Don't forget to get credit for your empty beer barrels!) The order should then be immediately locked into storage. Do not allow any delivery people into your storeroom to put the deliveries away. It's a favor you can do without.

All deliveries should be logged into a perpetual inventory notebook as soon as they go into storage. A perpetual inventory notebook is updated daily, not on a weekly or occasional basis.

Any product that goes into or out of the storeroom—without exception—should be accounted for on this form. When taking cost inventories, make sure they match up to the notebook. If they don't, then someone is availing himself of your liquor supply.

Only the managers should have access to the liquor storeroom. Keys to the storeroom should never be given to anyone else. Hectic times often tempt the busy manager to toss the keys to the bartender, barback or busboy. If sufficient stocks are kept at the bars, will lessen the need for mid-shift excursions to the storeroom.

"The purpose of controls is to keep the honest employee honest."

3

Requisitions. A requisition is the tool used to control the stock as it goes out of the storeroom and into the bar. Absolutely no issues should be made from the storeroom without a requisition. At the end of the shift the bartender should place all the empty liquor bottles on the bar. A requisition form should be filled out replacing full bottles for empty ones on a one-to-one basis. This form should be used for all the stock at the bar.

The requisition should be signed by the bartender and the manager. The manager of the next shift checks the empties against the requisition, signs the requisition, then fills the order. In filling the order the stock being issued from storage is accounted for in the perpetual inventory notebook and checked against the requisition. The bartender receiving the issued liquor checks it against the requisition and signs it. The requisition then goes to the office.

If there are pars (the number of bottles of each brand stocked or your build-to amount) maintained at the bars and storeroom, empties are replaced on a one-to-one basis, the inventory is maintained and the requisitions match up, then you have inventory control.

4

Guest check control. Good check control starts with the receiving of guest checks at the back door. As usual, guest checks should be placed immediately under lock and key. Once received, their numbers should be logged in a check issue log or notebook. No checks should be issued to employees without their being signed for. As the used and unused checks are turned in, they should be compared with the check issue log to make sure that all checks issued are returned and none are missing. If any are missing, the responsible employee should be disciplined (it is illegal to make them pay) with a written, documented reprimand.

Requiring the bartenders to work off the checks (just like the cooks) rather than allowing the servers to call their order will help ensure that the orders are recorded on the checks (silent bar system).

5

Proper cashier practices. Proper service/cashier practices for bartenders should be standardized and followed. When the bartender takes the order, he or she should *repeat* the order back to the guest. Jack Miller, chairman of the Hotel-Restaurant Department at St. Louis Community College, St. Louis, MO, tells a good story about how "you'll save a lot of wood if you measure each piece twice before you cut it." In other words, a great many mistake drinks can be eliminated if the server first makes sure that he understands exactly what the guest ordered. The drink is then mixed, served and immediately recorded on a check.

If the guest is paying right away and a check is not being used, the sale must be rung immediately, and a receipt or "chit" must be torn and given to the guest. When collecting from the guest who has a check, the bartender must record the amount paid immediately on the check and give the stub to the guest. The used check should then go into a "lockbox" (a locking, slotted box) to prevent its re-use. The bartenders should collect from only one check at a time. They should never be allowed to work out of open cash register drawers. The cash drawer should open only when paying checks and when making change for guests.

When making drinks for service personnel, no drinks should be prepared

How to determine liquor cost potential

This procedure will let you determine the difference between what your liquor costs should be and what they actually are.

Step 1

Determine usage cost by item (brand):

units used (bottles) × unit cost (cost per bottle) = usage cost

Step 2

Determine potential revenue by item (brand):

units used × bottle size (ounces) ÷ portion (shot) size = usable drinks × drink selling price = potential revenue

Step 3

Add the potential revenue for all items

Step 4

Add the usage costs for all items

Step 5

Divide the total usage costs by the total potential revenue

$$\frac{\textit{total usage costs (cost of goods sold)}}{\textit{total potential revenue}} \times 100 = \textit{potential liquor cost percent}$$

To take into account the fluctuations of brand movements and changing sales mixes, this procedure should be done about once every three months.

unless they have been recorded on the check (pre-check) or the bartender has rung them up. When that round has been made the check should be "red-lined"—a line drawn with a red crayon or marker under that order on the check—indicating that the round has been served. This way it cannot be re-made.

6 **Only buy what you sell.** One request a month does not justify stocking a brand. Brian Rea, director of On Premise Institute, Burbank, CA, recommends 15 to 18 calls a month before adding another brand to your inventory. You don't want to tie up cash in non-working inventory. Also, the larger the inventory, the harder it is to control. Some products spoil with age (cream liqueurs, for example) and some can attract fruit flies. Finally, do you really want to count all those bottles every month?

7 **Waste.** Make sure the bartenders are draining the bottles completely. To check, just drain one night's breakage into a highball glass at the end of the shift. Display your new "specialty cocktail" to the bartenders to emphasize your point. If two or three ounces doesn't seem like much to them, multiply it by 365 days a year, and it will make an impression.

8 **Closing procedures.** Would you leave cash unsecured overnight? Liquor is like cash. All liquor should be locked up at closing. If not, then there should not be a cleaning crew at night, and no one should be on the premises without a manager present. Beer lines should be disconnected as well.

9 **Guest check audits.** Guest checks should be audited on a regular basis for correct pricing, erasures, cross-outs (which should always be approved and initialed by managers) and so forth.

10 **Mid-shift audits.** Unannounced mid-shift spot audits should be done on an "irregular" basis. This is where the manager pulls the bartender's cash drawer mid-shift, does a reading and checks to see if the bartender is over or short. The manager's worst fears are confirmed if the bartender is over because that means that there are unrecorded sales in the cash drawer. Bartenders' tips should never go anywhere but in a tip jar kept behind the bar and away from the cash register.

11 **Mistakes and comps.** As NRA Director Mike Hurst, president, 15th St. Fisheries Restaurant, Ft. Lauderdale, FL, says, "Everything that comes in the back door must go out the front door" and be accounted for. All mistake drinks and comps should be accounted for on separate checks and be approved by management. If someone pours an extra scotch on-the-rocks, it should never be strained and saved for sale. You'd be serving a lower quality product, and it would look bad to the guests seated at the bar. Besides, you wouldn't want to be collecting drinks under the bar that the bartenders could be using for "profit sharing."

12 **Shopping services.** Strongly consider using a shopping service periodically. These are professionals who sit in your operation, order cocktails and observe your staff for proper working procedures. Their reports are very detailed, and the knowledge of their possible presence is enough to keep most employees honest.

13 **Train, test, train and test, then train and test again.** Training is not something you do just to fill a space on the schedule. An improperly trained bartender, cocktail server or food server is a liability. The only way you can know if your staff is properly trained (know the prices, recipes, cashier practices and so forth) is to test them regularly, formally and informally—both in writing and speaking. Complete job knowledge should not be the difference between an average employee and a good one. It should be a condition of employment—just like showing up for assigned shifts or wearing the proper uniform.

14 **Supervision.** There is no substitute for good management supervision. Effective managers must work the lounge, jump behind the bar, watch the bartender and check the registers for no sale rings. They should be asking themselves, "Was the sale rung on the register?" "Did the ring correspond to the number of drinks made and served?" "Was the check or receipt placed in front of the guest immediately?" "Is the bartender working out of an open drawer?" "Are the paid checks going directly into the lock-box?" "Are the leftover stubs being removed from the bar?" "Is the bartender ringing service checks or red-lining them?" "Is the bartender using the shot glass properly?"

Of course, no system or control is totally unbeatable. Your best control is a well-trained, honest employee. The purpose of controls is to make the operation run more efficiently and to remove temptation—in short, to keep the honest employee honest. ❑

Changes to *1983-1984 NRA directory, *Who's Who in the Restaurant Industry*

*(Changes are starred)

ARIZONA

Phoenix
Hyatt Regency Phoenix
Charles Andrew*
122 N. 2nd St.
Phoenix, AZ 85004

Tucson
Mountain Oyster Club
Irv C. Benjamin
283 N. Stone
Tucson, AZ 85701
(602) 623-3417*

FLORIDA

Tampa
Frisch's Restaurants, Inc.
Bill Jones
6944 N. 56th St.
Tampa, FL 33617
(813) 985-5522*

IDAHO

Idaho Falls
Westbank Coffee Shop, Inc.*
Willard R. Wood*
475 River Parkway*
Idaho Falls, ID 83401*
(208) 523-2310

ILLINOIS

Edwardsville
Southern Illinois University
G. William Crabb
Martha Jones
Pat Barinotti
Ernest L. Davis*
Campus Box 170*
Edwardsville, IL 62026
(618) 692-3040

KENTUCKY

Covington
Quality Inn Riverview*
Pete Jordan
666 5th St.
Covington, KY 41011

Florence
Prime 'N Wine*
Jim Hardesty*
7844 Mall Rd.*
Florence, KY 41042*

Louisville
Frisch's Restaurant*
Keith Kadesch
4800 Shelbyville Rd.
Louisville, KY 40207
(502) 897-9818

NORTH CAROLINA

NEW YORK

Liverpool
Toninos Trattoria
7240 Oswego Rd.
Liverpool, NY 13088
(315) 457-4460*

OHIO

Cincinnati
Frisch's Restaurant Incorporated
Jack C. Maier*
2800 Gilbert Ave.
Cincinnati, OH 45206
(513) 961-2660
Louis J. Ullman
(513) 559-5208
Donald Koehler
Marvin G. Fields
Robert Mallon
T. Zoeller
Jim Conover
Gerald Flickinger
Jerry Sweeney
Wanda Kilmer
Will Anderson
Ernest Blackwelder
Richard Miller
Craig Maier
Carl Goodin
Clifford Fischer
Gerald Wiseman
Karen Maier
Robert Stark
Eleanor Cohen
Donald Jansen
Heinrich A. Giese
Melanie Shafer
Lois Lockhart
Sue Zoeller
Steve Mullinger
Donald Walker
Sal Wertheim
2800 Gilbert Ave.
Cincinnati, OH 45206
(513) 961-2660

Roy Rogers*
William Mappin
Steve Brown
Jim Crittenden
Larry Schultz
2800 Gilbert Ave.
Cincinnati, OH 45206

Prime 'N Wine*
Manager
7800 Montgomery Rd.
Cincinnati, OH 45236

Prime 'N Wine*
Chip Smith
9419 Colerain Ave.
Cincinnati, OH 45239

Quality Inn Central*
John Gurren
4747 Montgomery Rd.
Cincinnati, OH 45212

Cleveland Heights
Western Reserve Taverns Inc.
DBA/ The Elbon Cafe*
James Bonner
2619 Noble Rd.
Cleveland Heights, OH 44121
(216) 382-2059

Dayton
Frisch's Restaurants Inc.*
Robert French
4081 Salem Ave.
Dayton, OH 45416

OKLAHOMA

Oklahoma City
Kip's Big Boy
Bob Yenowine*
120 S. Meridian
Oklahoma City, OK 73107

Roy Rogers
Dave Patrick
4600 N.W. 39th St.
Oklahoma City, OK 73122
(405) 787-5034*

PENNSYLVANIA

Pittsburgh
Interstate Hotels Corporation
Donald R. Trice
Donald L. Stanczak
Alan K. Cambra
Robert J. McKinley*
218 Frick Bldg.
Pittsburgh, PA 15219
(412) 227-6700

State College
The Train Station
Frank A. Hornstein III
C.C. Herlocher*
418 E. College
State College, PA 16801
(814) 237-5873

TEXAS

Bellaire*
Kip's Big Boy*
Dave Duncan
5320 Bellaire Blvd.
Bellaire, TX 77401

Corpus Christi
Dairy Queen of Corpus Christi*
John H. Evers
Marlyn S. Evers*
Pamela S. Evers
Charles Moore*
P.O. Box 81366
Corpus Christi, TX 78412*
(512) 992-0540*

VERMONT

Quechee
Parker House
Frank R. Parker*
16 Main St.
Quechee, VT 05069
(802) 295-6077*

Allied Directory Changes

Cini-Grissom Associates, Inc.
139 Bell Street
Chagrin Falls, OH 44022
Ronald P. Kooser
(216) 247-4830

11325 Seven Locks Rd.
Potomac, MD 20854
(301) 299-8100*
John C. Cini
Ray E. Petit, Jr.
William V. Eaton

943-B N. Palm Grove Rd.
Schaumburg, IL 60195
(301) 882-1770
Harry Schildkraut*

Crescent Metal Products Inc.
12711 Taft Ave.
Cleveland, OH 44108
(216) 851-6800
William R. Baggott
Raymond Ilko
George T. Baggott
Mary Schoenigger
George E. Baggott*

*Crescent Metal Products appears under the following Buyers Guide Listings:
- Cabinets, Food Warming & Conveying
- Carts, Food Service
- Lamps, Infra Red for Warming or Cooking
- Ovens, Convection
- Warmers, Food

Petrolane
P.O. Drawer 1410
1600 E. Hill St.*
Long Beach, CA 90801
(213) 427-5471
Thomas Nunan
Joleigh S. Ernst
R.E. Myers

1470 Farnsworth Ave. #1112
Aurora, IL 60505
(312) 851-9112
Mike Settle

P.O. Box 458
Auburndale, FL 33823
(813) 967-4113
Joe Wheeler

*Petrolane appears under the following additional Buyers Guide Listing:
- Gas-Propane

Will & Baumer Inc.
P.O. Box 4880
Syracuse, NY 13221
(315) 451-1000
Howard J. Nybo
Robert J. Schefter
Donald E. Haury

*Will & Baumer appears under the following Buyers Guide Listings:
- Candleabra, Candle Holders
- Candle Warmers for Food and Beverages
- Candles and Tapers
- Lamps, Candle
- Warmers, Food

Fine Wines

NO LONGER FOR THE CHOSEN FEW

by Toni Lydecker

In 1982 wine dispensing units surfaced in the American marketplace, giving operators the opportunity to offer fine wines by the glass without the risk of spoiling the rest of the bottle. Has the invention lived up to its promise? For those operators where demand for premium wines fluctuates, the answer has definitely been yes.

Michael Gillen installed a wine dispensing unit in each of his three Massachusetts restaurants: one in Framingham, one in Boston and one in Peabody, allowing him to serve seven white wines and seven red wines by the glass in each operation. "We sold four bottles of Chateau d'Yquem just like that," Gillen told *Lodging and Foodservice East*. "I don't think that we'd ever sold one bottle before. The wine, a 1975 vintage, was priced at $95 a bottle or $8.50 a glass. "We don't have a drink on the bar that gets that kind of money," he noted.

The Colony Restaurant on Longboat Key, FL, found customer response to be equally dramatic. For the period between June 1, 1982, and May 31, 1983, total wine sales increased 23 percent over the year before. Wines poured by the glass from the wine dispensing unit totalled 18,492 glasses and accounted for 15 percent of total wine sales.

For operators like Gillen and restaurants like the Colony Restaurant, dispensing units are an idea whose time has come. But the machines will not boost profits and prestige, purchasers caution, unless the market is right and the use of the dispensing units is combined with savvy wine selection and merchandising techniques.

Units operate by nitrogen displacement...

Invented in France three years ago, the wine dispensing units were first marketed in this country under the brand name Cruvinet. Already the manufacturer, Winetech, Inc. (Santa Monica, CA), has been joined by other companies offering models that vary in size, design and appearance.

All of the units operate on the same principle, however. While wine is drawn through a tube and out a spigot into the glass, nitrogen gas flows through another tube into the bottle, filling the void. A tasteless, odorless and colorless gas, nitrogen does not harm the wine and, more importantly, it prevents oxygen from entering the bottle. As every wine lover knows, oxygen is an enemy of wine because it can quickly destroy a wine's delicate bouquet and flavor.

By all indications, the units succeed admirably in preventing oxidation. In a blind tasting conducted by the Food Research Center of Hilton International Hotels, wine stewards could detect no significant difference between a wine attached to a dispensing unit for a week or more and a bottle of the same wine opened an hour earlier. Many of the machines also protect the wine by holding it at the proper temperature, using separate compartments and controls for reds and whites. Temperatures, on average, are held at 50 degrees for white wines and 62 degrees for red wines.

Costs vary. Size and appearance account for most of the variation. A fully automatic unit holding up to 28 bottles—housed in a solid wood and glass cabinet with brass or copper fittings—could cost more than $10,000. A two-bottle, non-refrigerated unit in stainless steel or even plastic, on the other hand, sells for as little as $450. Units can be custom designed to fit into an existing space and even suspended from the ceiling with the taps on the bottom.

Who needs it?...

Before choosing between deluxe and economy models, of course, a restaurateur must ask, "Do I need a wine machine?" Even the machine's enthusiasts agree that there should be a sizeable demand for fine wine by the glass to justify the machine's expense. "You really have to know your market, whether customers are interested in fine wine by the glass and are willing to pay the price," says Kathleen Talbert, coordinator of Hilton's Food Research Center. Often such restaurants are located in resort or urban areas with a high average income.

Restaurants currently selling only a few bottles of fine wine per week probably do not need a machine. Those already doing a brisk business in wine by the glass may not need one, either, for the few ounces of leftover wine can be put to good use in the kitchen.

For restaurants that fall somewhere in the middle, however, a wine dispensing unit can provide a way to build sales volume for fine wine without the risk of spoilage. Wine inventory that is moving slowly by the bottle can be promoted by the glass. Customers are more willing to take a chance on an unfamiliar or expensive wine when paying for only one glass—and if they like it, the restaurant may make a bottle sale after all. The single diner who wants just one

What to ask about wine dispensing units

- ***Appearance and Size.*** Does a cabinet come with the machine (especially important if the machine is to be displayed)? Will a unit of the size you need fit into the available space without modification? If not, how much would customization cost? What about the cost of remodelling the bar (or other area) to accommodate the machine? Is the machine modular so you can add on later?
- ***Design.*** Does the unit have separate temperature-controlled compartments for red and white wines? Are they automatic or must they be defrosted manually? How much nitrogen does the unit use compared to other models? What are the spigots and tubes lined with? (Stainless steel is preferable to plastic because it does not alter the wine's taste.) Does the unit come with bottle clips for magnums and tenths? Can the coupling mechanism be switched easily from one bottle to the next without loss of gas or pressure?
- ***Maintenance.*** What kind of guarantee does the manufacturer offer? (One year for all parts and labor is desirable.) Is a kit of spare parts included? Does the company have a local representative to consult about repairs or problems? How often must the machine be cleaned? (Once a month is usual.) Are the spigots removable for this purpose?
- ***Delivery and Installation.*** How long will delivery take on a standard unit? (Immediate delivery to six weeks is the normal period.) How long will delivery take on a customized unit? (The norm is 10 weeks.) Who does the installation? How much time does it take?
- ***Extras.*** Does the machine have a locking security panel for the compartments? Does a light come on if a door is left open accidentally?
- ***Price.*** How does the price compare to similar units sold by other manufacturers?

glass of superb wine will be happy to find it's available, and so will the table of people who would like different wines to accompany their dinners. A full bottle of dessert wine is too much for many diners, but they may agree that a single glass concludes the meal on the right note.

Restaurants with great fluctuation in business, such as those in hotels, are also good candidates for these units. The wine steward can sell one glass from a $20 bottle of French Cabernet Sauvignon on a busy Saturday night, confident that it will still be perfectly drinkable the following weekend, when business picks up again.

In addition to having the right clientele, the management must be willing to put some elbow grease into selecting good wines and promoting them. Upgrading the wine list, changing the wines on the machines every week or month, organizing media events and scheduling regular tasting sessions for staff are techniques that help create a high-visibility wine program.

Success can boost profits. . .

When a machine and the restaurant's needs click, everyone is likely to be pleased with the results. Moreover, the effect on the bottom line can be startling. The Colony Restaurant in Longboat Key, FL, doubled its wine sales following the installation of a 14-bottle machine, recovering its $6,000 investment within 10 weeks. "It's a visual marketing tool," points out Michael Klauber, food and beverage director. "People see it, ask what it is and then it's only one step to ordering a glass of wine." Twenty-seven different wines, including champagnes and sparkling wines not kept on the machine, are available to customers. The price ranges from $2.50 to $10.00 per glass. "Since the house wine sells for $2 a glass, it's very easy for a customer to step up to wine by the glass," maintains Michael Klauber, food and beverage director.

> **"Wine by the glass has reinforced bottle sales."**

The Colony Restaurant has volume rather than high percentage mark-ups, stimulating customer interest through such tactics as sending a newsletter that announces the month's wine selections.

The Red Cabbage, a full-service restaurant in Seattle, WA, also increased its total wine sales by adding a 14-bottle dispensing unit. Visible from everywhere in the lounge, the machine has sparked greater interest in wine by the glass. Because it was the first in the region to buy a machine, the restaurant received extensive media coverage, which attracted a large number of new customers.

Wine by the glass has reinforced bottle sales and vice versa, according to Larry Stone, wine steward and manager. Customers, who might formerly have ordered only a glass of the house Chablis or no wine at all, now experiment with several fine wines offered by the glass or in two-ounce tasting portions. Often these customers order a full bottle of one of the wines to accompany dinner.

The Bouzy Rouge Cafe in Newport Beach, CA, uses its original French model in stainless steel to create a more intimate marriage of food with the appropriate wines. Working with groups such as the Friends of Wine, for example, it might schedule a special dinner featuring five California Chardonnays, one for each course.

Deciding whether to take the plunge. . .

Without the right clientele and a commitment to running an ambitious wine program, a dispensing unit could be just an expensive toy rather than a profit booster. If your restaurant fits the profile of those that have prospered after buying a machine, however, consider the full range of available models. And do your homework thoroughly. Rapid technological changes continue to bring new models on the market, many with varying designs, prices, sizes, maintenance agreements and extras. ■

by Patrick Jameson

STARTING ON THE ROAD TO SUCCESS

Building a restaurant into a successful enterprise takes much more than a great idea. Here are some questions to ask yourself if you are starting on the road to success.

1. How good and how consistent is the quality of food and service?

Successful restaurateurs agree that a successful restaurant must "serve a good product at a reasonable price and keep up the tradition of fine service," explains Patrick Terrail, owner of West Hollywood's Ma Maison. "Many restaurants become trendy quickly and last for one or two years. What counts is consistency of quality food and service."

This consistency has been responsible for Ma Maison's success. Ma Maison celebrated its 10th anniversary last fall. What started out to be a small and modest restaurant has become a favorite spot for Hollywood's movie, television and music sets. Although the number is unlisted, the constantly: and the restaurant is full.

Of course, Terrail has tailored his operation to serve his particular clientele, and this accounts for some of his success. For example, he guarantees privacy and anonymity, excluding autograph seekers and other intrusive fans. But the key to his success, he claims, is consistent quality.

2. Is the price/value relation in balance?

People want value for their money. "Primarily, you're delivering a price value relationship in the proper balance," claims Joe Parker, president of Food Systems, Inc. and Pizza Entertainment Centres, Inc. in Raleigh, North Carolina.

Parker's restaurants include three truck stop operations, a hospital coffee shop, a Chuck E. Cheese franchise and an atmosphere restaurant. "The price/value relation is relative," explains Parker. "We weight it differently for different kinds of restaurants. At a truck stop, value could be large portions whereas at an atmosphere restaurant quantity is less important than quality." Parker believes that the secret to success is to stay abreast of customer expectations and to fulfill those needs. *(See box below.)*

Why customers eat out

Reason	All restaurants	Fast food restaurants	Family restaurants	'Atmosphere' restaurants
Convenience	37.3%	40.7%	53.4%	16.1%
Enjoyment	23.4%	5.9%	23.0%	46.0%
Lack of time	18.1%	39.7%	7.8%	1.4%
Celebration	6.9%	.3%	2.3%	20.2%
Traveling	2.4%	2.5%	2.9%	1.7%
Business meeting	1.7%	.9%	1.6%	2.8%
Shopping	1.7%	3.1%	1.6%	0%
Other/no response	8.5%	6.9%	7.4%	11.8%

Source: National Restaurant Association

3. Do I have the knowledge and experience I need?

"There is no such thing as overnight success," maintains Patrick Terrail. "Those who succeed have a common denominator: They know their business." Terrail attended the Cornell Hotel School and apprenticed for years before opening Ma Maison. "Many people start a restaurant thinking it's easy and end up losing money. Experience is very important. When faced with having to make the correct decision, you can reach into your memory bank and ask yourself what so-and-so did."

Rachid Benkirane, co-owner of Georgetown's Tout Va Bien agrees. "People think opening a restaurant is easy. You just hire someone for the door, put in tables and chairs and you're in business." This isn't so, he says. He and his brothers worked in various restaurants before beginning their own successful venture.

Good management is crucial to a restaurant's success. Operators, short on experience, hire seasoned managers or fill in the gaps with courses at local colleges and universities or correspondence schools.

4. How suitable is the location?

Location is very important to a restaurant's success. "If you are in the wrong location, you can fail, especially in a city like Los Angeles," states Bernard Jacoupy, owner of Bernard's in the Biltmore Hotel in Los Angeles.

Such elements as convenience, parking and the demographic composition of a neighborhood play important parts in determining the favorability of a location.

Some restaurants close to or inside office buildings are in a great location for lunch, but in the evening the area is deserted. A full service restaurant may be in trouble. Close attention must also be paid to the saturation level of a particular kind of restaurant in a proposed location.

5. Is the restaurant being marketed adequately?

A restaurant must be kept fresh in people's minds. What this takes varies from location to location and from one type of restaurant to another. The question to ask is, "what generates the right image to the right clientele most effectively?" In general, the higher the volume of business you want, the more you must advertise. Well-placed ads can bring a wider-based clientele into your restaurant. Then, if the restaurant lives up to its promise, word-of-mouth recommendations will support the advertising.

It is important to target advertising correctly. If you are looking for patrons who earn $30,000 a year or more, place ads in publications and on radio programs that reach professionals. Often, successful restaurants do not advertise at all. They are usually small operations of 100 seats or less and depend almost solely on word-of-mouth advertising. At Bernard's, Jacoupy puts his marketing dollars into extras at his restaurant, such as complimentary roses to female guests, complimentary desserts, live entertainment (classical harp) and seasonal decorations.

A family restaurant, on the other hand, may do well to get involved in community activities. It could support a Little League baseball team or be active on the local Crime Watch Committee. Helping the needy builds goodwill in the community and fosters the kind of image popular with families.

6. Does the restaurant have rapport with customers?

A loyal clientele is the best thing you can have, but it is the hardest thing to get and keep.

Restaurateurs should make a concerted effort to make customers feel welcome and cared for. One successful solution is to have someone in authority, such as an owner or manager, stationed at the door at all times. This gives a restaurant a personal touch. If there is both an owner and a manager (or two or more managers), one person should greet customers at lunch, another person should greet them at dinner. People like to meet the same person every time they come in and to be remembered and recognized. They come back for this special attention.

Responding well to client suggestions and complaints is often the test of good management. No one should leave the restaurant unhappy. If patrons do, word of mouth may work against you, undoing many times over the goodwill you have built up. Every mistake and complaint must be remedied with a gracious and generous response. If someone does not like his entree, another choice should be offered in such a way as to not embarrass the patron. If someone complains seriously about a dish but does not want a replacement, the cost of the item should be taken off the check with the restaurant's apologies.

> **"A loyal clientele is the best thing you can have, but it is the hardest thing to get and keep."**

7. Is the restaurant organized with simplicity in mind?

The key word here is simplicity. Everything should be set up so the kitchen staff and the waiters can work with maximum efficiency and ease and no one wastes time or energy. The result is that the clients receive good food and good service no matter how full the restaurant becomes.

"In order to run the kitchen well, you need a good chef who makes sure everything is perfect, someone who cares," claims Khalid Benkirane, co-owner/chef of Tout Va Bien. The chef must oversee the food quality and the manager or maitre d' must oversee the quality of service. This requires the ability to motivate people to take responsibility and think on their own within the framework of the restaurant.

8. Is there enough money to cover expenses?

To succeed with a new restaurant you need enough capital. Bernard Jacoupy has observed a new conservatism in the restaurant business as a whole. Certainly the effects of the recent recession have been deeply felt in the restaurant business. On the whole, competition among restaurants has become fiercer and the market has become smaller. Other important reasons for fiscal conservatism are inflation, unseen costs and the unreliability of an early return of investment. Be sure you have a financial cushion. "If you think $100,000 will do it, you end up spending $200,000 or more," counsels Rashid Benkirane.

"Once you're off the ground, a successful restaurant must be maintained," warns Joe Parker. "Money must be put back into the operation. Many people make some money quickly then head for Exit City." The restaurant then takes on a general feeling of being tired, of wilting.

9. Is the atmosphere inviting?

Customer expectations often extend to a restaurant's atmosphere. "To be successful," explains Rashid Benkirane, "you need atmosphere as well as good food. Often atmosphere is the main attraction. People go out to see and be seen." Atmosphere is a statement of the restaurant's uniqueness. It says this is what we offer. If the statement is clear and inviting, the response is more likely to be clear and strong.

It is also important to note that cleanliness weighs heavily in the minds of customers.

10. Is the restaurant open to change?

To be successful, restaurants must evolve and change as society dictates," contends Gene Landrum, president of Zaps Bar and Grill, Inc. and former vice president of Pizza Time Theatre, Inc. "Now Friday's and Houlihan's succeed because they try to understand the demands of people in a fast world, especially the 25 to 45 year age group. People still want quality, service and a reasonable price, but the way of being served has changed."

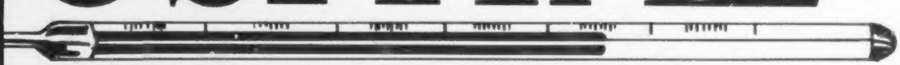
Zaps is an example of a responsive restaurant. It is a high-tech bar and grill now being tested in the South Bay area of San Francisco. Zaps seats 300 but not in a conventional restaurant setting. One may sit or stand to eat and drink, and enjoy many different kinds of games—both video and conventional.

Another innovative success is Joe Parker's Soaps in North Carolina. Soaps combines a laundromat with a bar, a video game room and a pizza parlor. The third version of Soaps opened recently in Raleigh.

Although such new concepts are certainly daring, being responsive to the changing needs of customers does not require a major overhaul. By adding new items to the menu, changing the decor or speeding up service, restaurateurs are letting their customers know they care about their needs and interests. ┘

by Carol Caprione

FOODSERVICE: THE RIGHT MEDICINE FOR AN AILING HOSPITAL



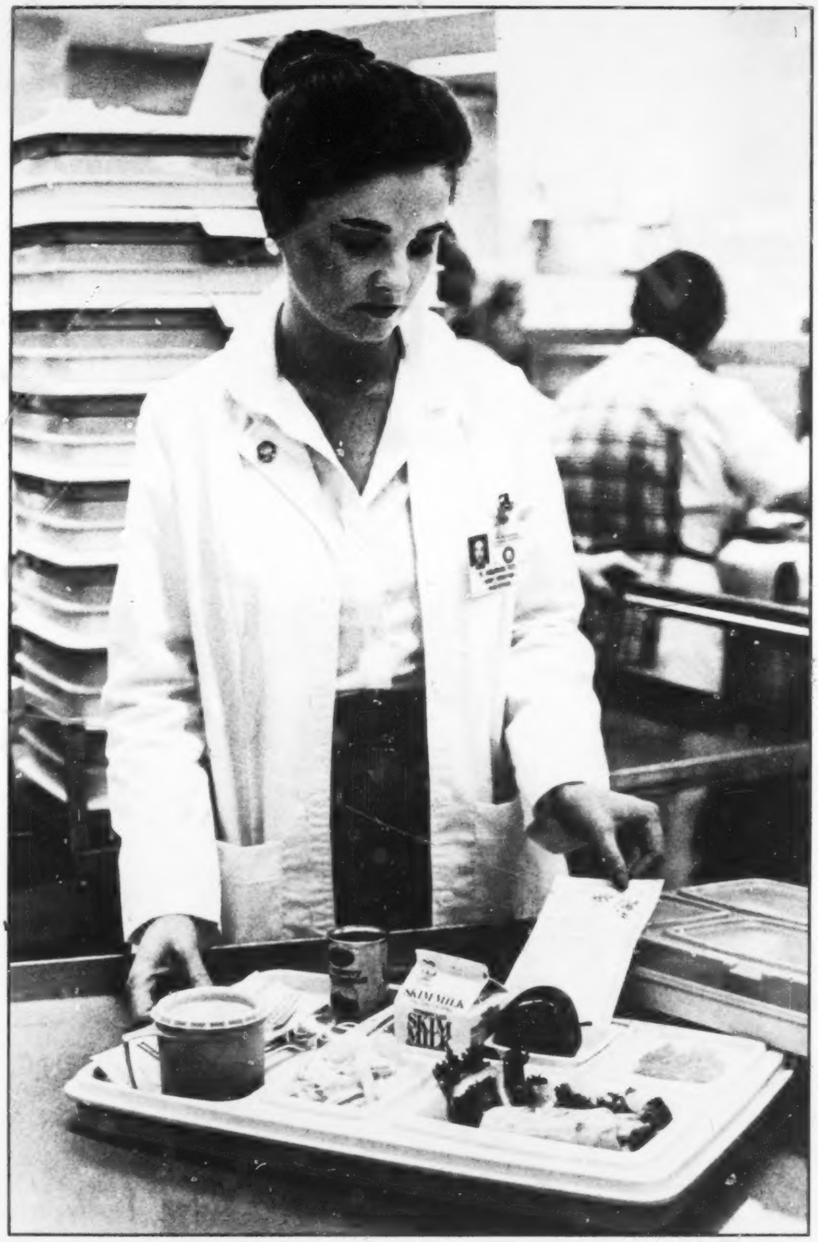
Hospital foodservice directors are beginning to see foodservice as an important marketing tool that can build a following for a hospital.

Hospital food is no longer a taken-for-granted service. It has achieved front-line significance in the competitive medical marketplace. Hospital foodservice programs across the country are becoming transformed. Bland food is out and gourmet food is in, as foodservice managers use their ingenuity to woo patients to their establishments. If government medical programs tighten their belts, U.S. hospitals are likely to zero in even more on upgraded foodservice programs to beef up profit margins. Here is a review of how the programs are changing.

In a February 1983 survey conducted by the American Society for Hospital Service Administrators, 42 percent of the association's 2,100 members reported having some type of upgraded—often gourmet—meal service. This number seems to be increasing monthly.

Increased revenue may be the main reason for the menu change, but it's not the only one. Other reasons that hospitals give for instituting an upgraded meal service include

- **countering bad publicity and jokes about hospital food.** "On almost every television program about hospitals, there's at least one unflattering remark about the food. We're working to change that image with the public," reports Paul Marki, director of food and nutrition at St. Joseph's Hospital in Fort Wayne, IN.
- **concern for total patient care.** Nutritionists are learning that the taste and appearance of food are important to patients and can make a difference in recovery. "If patients don't like the



Hospital foodservice managers are wooing patients with personal touches—from specially prepared menus to room service at times other than scheduled meal periods.

food, they won't eat it: and then they won't get well,'' maintains Learlene Stewart, R.D., foodservice director at Gottlieb Memorial Hospital, Melrose Park, IL. A positive attitude is important for good health.

❀ **keeping pace with competing hospitals.** According to Marjorie Beasley, president of the American Society for Hospital Foodservice Administrators and foodservice director of Bloomington Hospital, Bloomington, IN, ''In large cities, competition between hospitals is keen, and patients may indeed chose a hospital because of its reputation. Not everyone is competent to judge the quality of patient care, but everyone feels competent to judge the quality of patient food. Therefore, foodservice has become a great marketing tool in hospitals.''

New directions in hospital dining. . .

There is no one formula used by hospitals to upgrade their foodservice image. The approaches vary from gourmet meals and special commemorative meals to ''early bird'' specials. Here is a look at some representative programs.

Hospital foodservice directors nationwide are beginning to offer gourmet meals where, for an additional fee, patients and their visitors can enjoy upscale dining in the hospital. Many hospitals sell gourmet meal certificates in their gift shops as an alternative to flowers, candy or books.

Mt. Sinai Hospital, Minneapolis, MN, calls its gourmet dining program ''La Cuisine Elegante.'' This service began in September 1983 and is only available at dinner. The price of the gourmet meal for patients is $10 plus the cost of wine. For guests, the cost is $15 plus wine. The meal is served on special china either in the patient's room or in a separate dining room in the hospital. Reservations are requested 24 hours in advance.

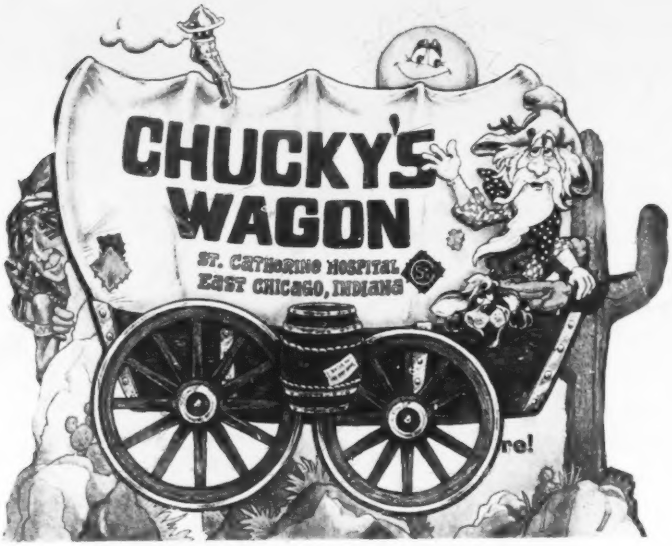
Mt. Sinai's elegantly printed menu offers such culinary delights as *galantine de volaille*—velvet-textured liver accompanied with mini-pumpernickle slices: *kabor de legumes marines*—a skewer of marinated vegetables arranged on greens: *les fruits de mer St. Jacques*—a repertoire of seafood in a delicate cream sauce served on a bed of rice with an array of vegetables: and *paraid chocolat*—a chocolate brownie almost hidden by chocolate ice cream and crowned with fudge sauce. Beverages include red, white and rose wine: champagne: perrier and non-alcoholic Catawba grape juice.

The patients learn about the dining option from their nutrition service representative and from an informational card that appears on their first food tray.

St. Joseph's Hospital, Fort Wayne, IN, also offers a similar gourmet dining service. It is available at all three meals at adjusted prices. The meal is an option for all patients as the hospital chef can modify the menu for any diet. In addition, St. Joseph's offers a special gourmet dessert menu for $2.50—available at any time of the day.

A "memory meal" for the new mom and dad. . .

One foodservice program that has been very well received is a gourmet memory meal or candlelight meal for parents of newborn infants. This meal



Many hospitals have tried to perk up foodservice to children. St. Catherine's Hospital has succeeded with a refrigerated cart in the shape of a covered wagon that lets youngsters select their own food. The menu above compliments the covered wagon theme.

is designed to give new parents an elegant and intimate dining experience before they take their baby home and have little time for quiet suppers.

Hospitals don't have to depend on their own staff and furnishings to provide the experience. Custom Management Corporation (CMC), Kingston, PA, a foodservice management company with over 100 hospital clients in 20 states, offers memory meals as a special program to its client hospitals. At Wilkes-Barre General Hospital, Wilkes-Barre, PA, memory meals are served restaurant style in a conference room decorated with tablecloths, fine china, special tableware and candlelight. Couples are served a five-course dinner with wine. They have three entree choices, including chicken Kiev, broiled steak or baked flounder stuffed with crab meat.

A cafeteria waitress is specially dressed for the occasion. She pours the first glass of wine, which is served in a carafe. In addition, the couples receive a special menu card, which includes their names, the date of their child's birth and congratulatory wishes from the hospital. "This is the kind of touch that really makes an impression. The new parents cherish the experience and tell their friends about it," says CMC Director of Communications Helen Gattuso.

Local restaurant provides change of pace. . .

Another dining treat that lifts the patients' spirits and breaks the monotony of hospital foods comes from local restaurants taking over the hospital's foodservice for a day. Sometimes this is a very elegant affair with days of preparation and menu planning. At other hospitals, however, it may be a more casual approach featuring one or two specialties, such as tacos or pizza.

Foodservice directors have let out all the stops to please their patients.

Last February the Clock Tower Inn of Rockford, IL, provided the Rockford Memorial Hospital with a gourmet buffet for the hospital's 1,500 patients and employees. The menu, at usual hospital prices, consisted of 10 entree choices and 20 varieties of fruits and salads. Menu selections included sweet and sour pork, coq au vin, seafood creole, formaggio crab, cod in curry cream as well as tomato bread and spumoni de amaretto—just to name a few. The buffet table was decorated with ice carvings and a fruit and cheese display. Meals were modified to fit special diets so everyone could enjoy the treat.

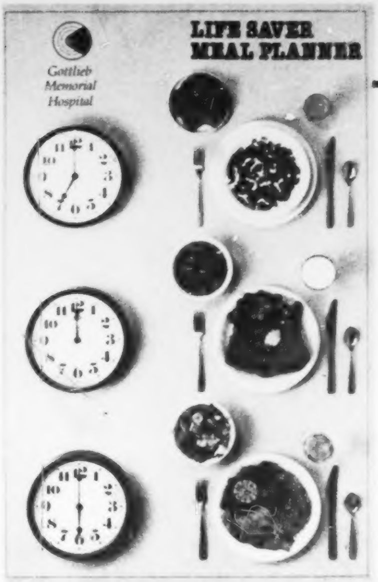
Russ Moore, director of foodservice at Rockford Memorial, said the hospital began the gourmet buffet idea four years ago and repeats it every nine months primarily to break the monotony of hospital feeding. Different local restaurants participate. "It's a service that is extremely well received. The Clock Tower Inn has been here twice. As many as 12 Inn chefs came in and guided our cooks. It took about two days for the actual production. Although the hospital does not recover the cost of the buffet from patient fees, the added expense is worth it. Everybody loves it, and spirits really soar," remembers Moore. Clock Tower Inn's General Manager Rex Parker agrees. "The event is a nice community public relations activity that builds goodwill and nurtures future customers."

St. Catherine's Hospital, East Chicago, IN, offers a similar dining service especially geared to its employees. Last February the hospital began offering monthly guest restaurant tours where local restaurant owners and their staff come into the hospital, prepare their specialty dishes, and serve them to the employees at a discounted price. Owners also raffle off T-shirts and coupons for their restaurants. "Employees really like this. Revenue is usually increased on that day," says Carolyn Smith, St. Catherine's interim director of foodservice.

Room service in a hospital?. . .

Most of these new approaches to foodservice are designed to take away some of the institutional atmosphere of the hospital visit. Hospital foodservice executives are increasingly sensitive to the patients' need for some independence in an otherwise controlled and dependent environment. One way they have turned over some of the control to patients is by allowing them to order food at times other than scheduled meal periods.

St. Joseph's Hospital in Fort Wayne, IN, offers its patients the option of room service. This service ac-



Gottlieb Memorial Hospital's program includes this "Life Saver Meal Planner."

commodates regular, soft and liberal bland diets. Other restricted diets must be cleared by physician approval. From 9:00 a.m. to 2:00 p.m., patients can order snacks, including a breakfast roll ($ .50), yogurt with fruit ($ .75) and sliced breast of turkey on a kaiser roll ($2.00). From 3:00 p.m. to 8:00 p.m., patients can snack on such items as bar cheese ($ .75), pizza ($4.00); or chips, pretzels and corn chips ($ .30). Beverages are also available.

Coffee for early risers...

Many people feel that they can't start the day without a cup of coffee. Gottlieb Memorial Hospital, Melrose Park, IL, understands this habit and responds with its "early bird special." Beginning at 6:00 a.m., coffee is available for patients who are awake and ready to start their day. "Our main purpose is to try to please our patients. We don't want them to feel like they are in an institution," explains Learlene Stewart.

Monotony breakers for a change of pace...

Even if they have not revamped their entire foodservice approach, many hospitals have instituted "monotony breakers" into their meal service plans to provide a change of pace in the predictable hospital routine. This service makes even a short hospital stay more special for patients, and it is a very welcome change for employees as well.

These monotony breakers can be a special snack at the snack bar, a special lunch or dinner or an entire day devoted to celebrate a holiday, season or ethnic cuisine.

Deaconess Medical Center, Spokane, WA, under the foodservice management team of Saga Corporation, offers two to three monotony breakers a week. These can range from homemade six-inch diameter cookies at coffee break to an entirely new luncheon menu to reflect a special theme like October Fest. The October Fest menu included potato pancakes, stuffed cabbage roll, sweet and sour cabbage, chicken in burgundy sauce, bread pudding and apple turnovers.

St. Joseph's Hospital, Fort Wayne, IN, also offers theme days to break the monotony. Paul Marki reports a 12 percent increase in outside lunch traffic in one year because of these theme days. "We get many of our ideas from commodity groups like the apple association or the grape commission. These groups offer a lot of very helpful literature free of charge, including hints and posters for this kind of use."

The children rate extra special attention...

No one likes to be in a hospital, but for a child a hospital visit can be a sad and lonely experience. Many hospitals have tried to perk up the children's stay with familiar favorites like peanut butter and jelly sandwiches, hamburgers, spaghetti, fried chicken, hot dogs and salad. They have also gone out of their way to creatively name meals, decorate plates and present the food with whimsy, modeled after familiar fast food characters. This effort not only builds a lot of goodwill for the hospital but also eliminates a great deal of waste.

St. Catherine's Hospital, East Chicago, IN, has found a way to ensure that children enjoy their meals. Each day, youngsters select their food from a "covered wagon," which is actually a refrigerated cart with added spoke wheels and plastic wood grain laminate. The children are allowed to take as much food as they like, and they eat together in a special dining room which is a converted four-bed ward.

The dining program cost nearly $5,000 to institute, but the hospital reports that start-up costs will be recovered quickly since food waste has been virtually eliminated. "Before the chuck wagon, 50 to 75 percent of the children would not want what was on their trays. We don't have that problem any more," said Carolyn Smith.

Some hospitals go out of their way to make parents welcome, too. Independence Sanitarium and Hospital, Independence, MO, shows its appreciation to the parents who stay and help with the care of their children by offering them a complimentary continental breakfast and lunch.

What does the future hold for hospital foodservice?...

Foodservice directors are reluctant to predict the future of hospital foodservice. In the short-term, they express concern about the Prospective Payment System, which went into effect for Medicare patients on Oct. 1, 1983. Hospitals will now receive set rates for treatment as payment in full. It is still unclear whether payment rates will cover treatment costs or if treatment costs will be greater. Until hospitals can assess the effects of the new legislation, most administrators are being cautious and placing new innovations on the back burner.

In the long-term, those interviewed were more optimistic. They foresee

- more widespread use of gourmet dining—even on restricted diets
- more revenue-making community programs, including dietary clinics, diabetes clinics, non-smoking clinics and cooking classes
- increased preventive medicine initiatives including information pamphlets, booklets and cookbooks as well as consultations with hospital nutritionists
- more widespread use of computers
- increased use of food preparation techniques that allow food to be cooked in quantity and quickly frozen. When the food is needed, it can be quickly brought back to proper temperature. This process reduces the number of staff needed to run the line
- greater service orientation. Hospitals will be run more like hotels offering such services as room service, valet parking, instant registration.

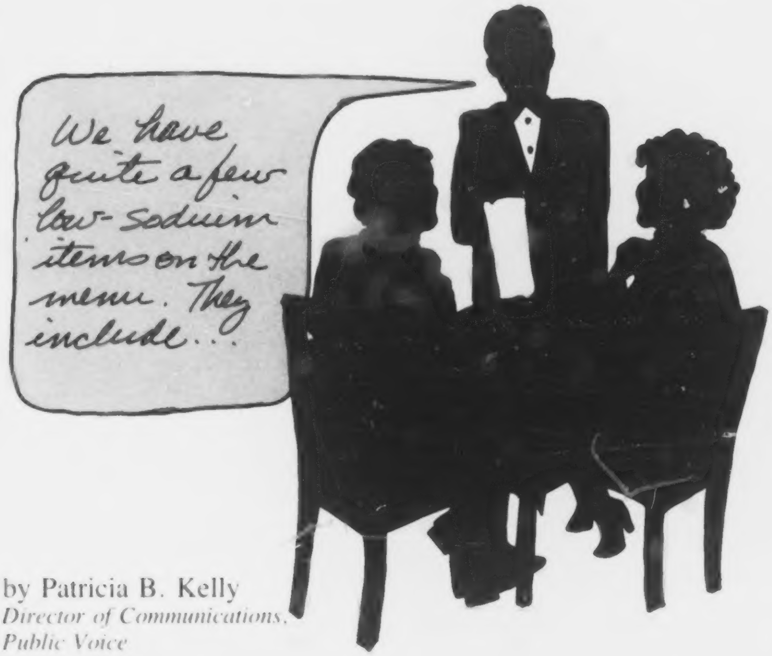
Hospital food is not what it used to be...

To say the least, hospital food is not what it used to be. Foodservice directors have let out all the stops to please their patients and to make them feel like they are not in an institution. The result is a gradually changing image of what hospital foodservice can mean for foodservice staff and hospital patients.

PART 4 OF A SERIES

TRAINING YOUR STAFF TO TALK NUTRITION

The salmon, chicken, and vegetable platter are all low in fat.


We have quite a few low-sodium items on the menu. They include...

by Patricia B. Kelly
Director of Communications, Public Voice

Today's wait staff must play many roles: salesperson, ambassador of goodwill, decisionmaker for the indecisive. With the increase of consumer interest in health and fitness and the corresponding growth of healthful fare in restaurants many waiters are finding themselves also acting as nutrition advisors.

There are special demands placed on the wait staff of a restaurant that features lighter, fresher foods generally lower in fat, sugar and salt. In many operations customers ask how nutrition relates to health and which dishes on the menu fit their particular dietary needs and interests.

It's a big, new order for wait staff, and many health-conscious restaurants are moving to help employees learn how to carry it out. The help ranges from the simple—sheets posted on the bulletin board in the kitchen; to the elaborate—staff orientations and training sessions complete with daily food tastings.

Some hotel restaurant chains and organized health programs have developed structured training efforts for wait staff that rely on instructional materials—information kits and manuals explaining specific nutrition programs or dietary guidelines. The smaller, independent restaurants have adapted newer and less conventional approaches to wait staff training. They have launched employee orientation with hands-on experience and adopted modern training techniques, like role-playing and small-group discussions.

Examples of both these formal and informal approaches appear in the *Nutrition and the American Restaurant* report. Some of these methods serve as models for other restaurants searching for efficient, effective ways to build nutrition knowledge and communication skills among wait staff.

Creative cuisine program addresses wait staff training. . .

It is not surprising that the "Creative Cuisine" program, which, in many ways, serves as a model restaurant nutrition program (see November 1983 issue of *NRA NEWS*), also addresses wait staff training as a matter of course. In fact, program information for the wait staff is integrated with other instructional and promotional materials for managers, cooks and consumers.

For the wait staff, "Creative Cuisine" offers a pocket-size folder with an introduction to the concept of the program, a "tip sheet" on specific menu items, and a table of suggestions for substitutions that meet the program's diet guidelines. In brief, the folder tells waiters and waitresses what they need to know about the program's approach to nutrition as well as how they can present information to the concerned customer.

Examples of tips are

☞ Extra bread or crackers, margarine, salad dressing, gravy and sugar add unnecessary fats, calories or cholesterol

☞ Be ready with positive suggestions, such as "Fresh fruit is a good dessert" and

☞ Remember that low-calorie nutritious appetizers include consomme, vegetable soup, fruit juice or fruit cup, raw vegetables with low-fat dips, made with such ingredients as yogurt, chili sauce, cottage cheese, fish and shellfish.

The folder also points out: ". . . We can't help but believe that a more satisfied customer—one who knows that you have his or her interest at heart—is going to be a more generous customer when it comes to tips."

Hungry Tiger produces mini-manual on heart/health facts. . .

The Los Angeles-based Hungry Tiger seafood restaurant chain, which participates in the American Heart Association's local "Dine to Your Heart's Content" program, has developed its own wait staff training based on the "Creative Cuisine" model.

Hungry Tiger decided it wanted to prepare its staff to address any special problems or requests related to its fresh fish entrees. But, according to advertising director Joan Perlof, "We couldn't train the staff during working hours." The solution was a take-home "mini-manual" explaining program specifics.

The four-page publication introduces wait staff to the Heart Association program and offers heart/health facts that can be passed along to customers as well as clear explanations of how the Hungry Tiger menu fits the diet guidelines.

What's in the California salad?

The suggestions vary from specific tips—such as avocados are high in fat—to more general suggestions on how the wait staff can help customers order from the menu. For example, in addition to heart-designated items, the Hungry Tiger offers several broiled or sauteed fish entrees. These selections are low in fat and calories but are larger than the six-ounce portion size approved by the Heart Association. Customers prefering these entrees but wishing to follow a more restricted diet are encouraged to eat less of the entree and take the remaining portion home.

Hotel restaurant chains also routinely use informational materials to build nurition program awareness among wait staff. With their multiple sites, it is an efficient approach. The Hilton Hotels Corporation, for example, always has included in its instructional materials for restaurant managers tips for addressing the information needs of their wait staff.

Hilton and Marriott Hotels train with sample questions and answers. . .

For its 1980 Fitness First promotion, Hilton designed a staff training package for all employees involved, including wait staff. An eight-page training guide included sample customer questions and answers. To reinforce the material, Hilton employees were quizzed.

For an upcomng nutrition program, the Hilton Hotels Corporation is developing a restaurant service staff training package that will be one of 11 instructional components to promote the program. Others include separate training packages for chefs and management staff.

The Marriott Corporation also includes sample nutrition questions and answers in its regular orientation programs for new restaurant managers.

Independents personalize training. . .

Other, smaller restaurants also recognize that training is critical to an effective nutrition program and have developed highly personalized approaches that begin from the day of hiring.

"Our people are not hired because they have food knowledge," explains Jan Lucas, co-owner of Jerome's in Chicago, IL. "They are chosen for their sense of presence, sincerity and hospitable nature. It's our job, then, to teach them about food."

Nora's, an additive-free fresh food restaurant in Washington, DC, also hires people "without lots of experience," says co-owner Steven Damato. "They are people who have other interests—artists, musicians and so on. They are people who generally never wait tables again."

It is not surprising, then, that both Jerome's and Nora's emphasize wait-staff training. Of the two restaurants, Jerome's training program is more structured. It includes a three-day orientation for new staff and ongoing, daily staff discussions. (See sidebar for details.) Jerome's believes the wait staff can best communicate about healthful aspects of the food by, first, knowing every single ingredient in every dish and, second, displaying an attitude of commitment to and interest in Jerome's food philosophy.

"We can't bog down the customer with details of ingredients," explains Lucas. But Jerome's *can* expect the wait staff to be prepared to answer detailed questions if they are asked.

Jerome's goes a step further "to get the message across about what we

Jerome's training program for new wait staff

I. Orientation

First day: The new wait person receives a *General Service Manual*, which describes Jerome's approach to fresh food, its philosophy of service and details of the restaurant's operations. A kitchen manager, usually one of the owners, reviews key points in the manual with the trainee and presents a detailed menu description. Jerome's expects the new wait person to learn every ingredient and preparation method for every dish on the menu.

The trainee also tours the kitchen, watching food preparation and tasting dishes as part of the learning process. At lunchtime, the new employee "shadows" an experienced wait person, who assists with questions and helps orient the trainee.

Second day: The trainee reports for a night shift and watches the food come out of the kitchen. The experienced wait person quizzes the trainee in food identification.

Third day: The new employee continues the "shadowing" process and, at the end of the day, takes a verbal test on Jerome's menu. It is administered by a kitchen manager, but not the one who first described the menu to the trainee. The new employee must be able to answer questions such as: "What's in the 'California Salad'? How would you describe it to a customer? Tell me everything else you know about it." "What meatless dishes are on the menu?" "What dishes can be prepared easily without salt or extra fat or sauce? How are these items prepared?"

After the three-day orientation, the new employee serves as a "back" wait person for a few days, carrying plates to the floor and taking dessert orders.

II. Daily brushups

Now the second phase of Jerome's wait staff training begins: daily discussions and tastings of specials and new items on the menu. Questions Jerome's wants new staff to ask on a daily basis include, "Is today's soup made with vegetable or chicken stock?" "What is in the sauce for the special?" "What fish is on reserve in the kitchen for special diet orders?" "What manager is on duty to answer any nutrition questions I can't answer?"

do," says Lucas. An initial opportunity is when bread is brought to the table. Jerome's makes two kinds of bread: whole wheat millet and potato. Lucas trains her staff to explain that the bread is homemade and to list the ingredients, if requested. For those patrons allergic to specific substances, such as wheat, the wait staff is prepared to suggest substitutes.

"We are happy to cook without salt or make substitutions for allergy-prone customers," says Lucas. "We always have things on hand, such as scallops, that may not be on the menu but could be prepared specially. This does not create any problems for the kitchen. It would only be a problem if the wait staff didn't know that we can do it."

Ongoing training during communal meals. . .

Jerome's training program tries to ensure that the wait staff does know what the restaurant can do, every day. During daily communal meals—11 a.m. for the day shift and 4:30 p.m. for the evening shift—Jan Lucas or another kitchen manager discusses the day's specials and the new items on the menu, often passing around samples.

However, the hardest part of wait staff training is conveying Jerome's philosophy of food and service, says Lucas. The good news, says Lucas, is that Jerome's tends to attract employees "who like our food. They have eaten here or have heard about us, or they are vegetarians. These people generally work out. If they just think Jerome's is a groovy place, it tends not to work out."

Staff training becomes more complicated during the busy summer months when the restaurant's patio facilities are open and an extra 15 to 20 people are hired to wait on customers. Last spring, two veteran waitresses helped interview the dozens of applicants for summer jobs.

Role playing shares involvement. . .

Nora's approach to wait staff training is similar in philosophy to Jerome's, with an added twist. Nora's version of the daily meals-plus-discussions includes role playing. Waiters and waitresses take turns serving one another the evening meal, suggesting wines and talking about the food. One of the restaurant owner-chefs participates. The staff criticizes each other's presentations. When they are finished, they know facts that range from additive-free sources of food to which sauces do not have garlic. They are also ready to suggest appropriate wines for the various dishes. And they know exactly how the foods taste. Preparing and communicating about food takes more than words. It takes a shared involvement in the restaurant.

Volunteer nutritionists can help. . .

Restaurants whose orientation is not strictly health-oriented can train their staff in principles of nutrition by inviting a local nutritionist to teach on a volunteer basis. Possible sources for trainers include a local medical center or school, the American Heart Association, the American Dietetic Association or another similar professional organization.

Is the extra effort worth it?

According to Mary H. Tabacchi, associate professor of nutrition at Cornell University's School of Hotel Administration, the answer is clearly "yes."

"The rule of thumb used to be, 'you're a good manager if your wait staff knows the ingredients of menu items,'" she says. "Now it is, 'you're a good manager if your staff knows the key dietary components—like fat and sodium—of those menu items.'" ❑

Editor's Note:

Nutrition and the American Restaurant is available for $4.25 from Public Voice for Food and Health Policy, Suite 519, 1001 Connecticut Ave., N.W., Washington, DC 20036.

THE BOARD ROOM

Massachusetts Restaurant Association raises funds for U.S. Culinary Team

The Massachusetts Restaurant Association (MRA) conducted a wine tasting in Boston last fall to raise funds for the United States Culinary Team. The proceeds of $3,000 were donated to the U.S. Culinary Team Foundation as its master chefs prepare for the 1984 international competition in Frankfurt, Germany, often called the "culinary olympics."

Stephen E. Elmont, Creative Gourmets, Ltd., Boston, was the creative force and chairman of the wine tasting fundraiser, which was hosted by Anthony Athanas, owner of Anthony's Pier 4 Restaurant, Boston.

According to Elmont, "More functions similar to the MRA wine tasting are needed to increase the visibility and support for the U.S. Culinary Team. The wine tasting was a wonderful attraction and compliment to our highly professional U.S. Culinary Team."

MRA Executive Vice President Ray Murgia agrees. "There was no 'downside,'" he said. "This reception was successful to the U.S. Culinary Team, to the MRA and to those attending. After all the competition is one of the most prestigious events available to the culinary community. The industry must support it."

Three hundred individuals paid $25 each to attend this festive function, where 12 new wines from six of the Napa Valley's premier wineries were poured. In attendance were Myron Nightingale, winemaster for Beringer Vineyard; Bernard Portet, the French owner of the Napa Valley's Clos du Val winery; John Wright, president of Domaine Chandon (sister to the French champagne producer, Moet); John Trefethen of the Trefethen Vineyards; Jack Cakebread, owner of Cakebread Cellars; and Marcie Mondavi from the Robert Mondavi Winery.

NRA Director O'Neal wins fraternity award

NRA Director Michael O'Neal (Ginger Man Group, New York, NY) was awarded the 1983 Significant Sig Award at a New York City Sigma Chi Alumni Chapter dinner at Sardi's Restaurant last fall.

The Sigma Chi fraternity honors one or more of its members with the Significant Sig Award for outstanding achievement in their professional fields every two years.

NRA Director O'Neal was recognized for his successful career as a restaurateur and

President Lee and Treasurer Balestreri attend California Wine Festival

The 8th Annual California Wine Festival, held at the Monterey Conference Center, November 27-30, 1983, was a success by any measure. Eighty-nine wineries representing every area of this major wine-producing state participated in the three-day festival, which also drew celebrated cooks, leading authorities in the world of food and wine and noted foodservice industry leaders like NRA President Joe R. Lee and NRA Treasurer Ted Balestreri. On hand for the occasion were culinary expert and TV personality Julia Child, renowned chefs Tell Erhardt and Louis Szathmary, and the wine expert Andre Tschelestcheff.

NRA President Joe Lee delivered the keynote address. Treasurer Ted Balestreri, co-owner of the Sardine Factory in Monterey, CA, participated in a restaurateurs' panel discussion.

In his keynote address President Joe Lee discussed the growth of the American wine industry and how restaurateurs and the National Restaurant Association are furthering this progress.

"The American wine industry is growing by leaps and bounds and foodservice is involved in the phenomenal growth of the American wine market." Lee told the crowd assembled for his address. ". . . Restaurateurs are becoming very innovative wine merchandisers. Wherever you go today you see wine specials, fine wines by the glass, displays of wine, carts and baskets, wine recommendations accompanying entrees on menus, wine tasting dinners and wine festivals . . . NRA is actively involved in this educational process."

As examples of NRA's contribution to the expanding wine market, Lee cited NRA's Wine Sales and Merchandising Seminar, which teaches operators how to educate their customers about wines and increase wine sales; the Annual Conference on Alcoholic Beverages to be held at the Westin St. Francis Hotel in San Francisco, March 19-22; and the Annual California Wine Workshop in September, which brings operators across the country to visit California wineries.

After being named a Knight of the Vine, NRA President Joe Lee signs the organization's registry at the chapel of Santa Catalina School in Monterey.

THE HUMAN SIDE

South Carolina restaurateurs raise money for the disabled

Thirty-one years ago, the South Carolina Restaurant Association voted to sponsor an annual two-week fund raising event to benefit the South Carolina Society for Crippled Children and Adults, the precursor of the Easter Seal Society for South Carolina.

Today, sponsored by the South Carolina Restaurant Association and the South Carolina Law Enforcement Officers' Association, "B.A.C.-Coffee Day for Crippled Children" is a tradition. Restaurateurs and law enforcement personnel cooperate in selling "Buck-A-Cup/Brace-A-Child" buttons, which entitle the wearer to free coffee on Good Friday, "Coffee Day."

Since 1952, more than $2.5 million has been raised and given to the Easter Seal Society. The 1983 "Buck-A-Cup" campaign broke all previous records raising a total of $231,566. These funds help the Easter Seal Society in South Carolina provide such needed services as physical therapy, occupational therapy, speech and hearing services as well as medical evaluation.

Harold Corley, owner of the Mayflower Restaurant in Columbia, has served as event chairman for the past 10 years. John G. Riddick, executive director of the South Carolina Restaurant Association and James W. Britt, owner of the Blazers Restaurant in Greenwood and president of the South Carolina Restaurant Association, serve on the state coordinating committee with Corley.

Interested state associations may get full details about the program by contacting the Easter Seal Society of South Carolina, 3020 Farrow Road, Columbia, SC 29203, (803) 256-0735.

ANALYSIS: 1983

5,000 persons with impairments placed in foodservice

In the fiscal year that ended last July, over 5,000 persons with impairments were placed in foodservice jobs. This data represents the response of 290 vocational rehabilitation services, agencies and training facilities in 49 states to a survey by the National Restaurant Association's Projects with Industry (PWI) program. Since more than 600 agencies participate in placement programs nationwide, the actual number of placements is probably much higher.

The survey shows that a variety of providers across the board have opened opportunities to job-ready people: small local coffee shops, cafeterias, lunch rooms, full service and fast food operations in single owner establishments and the largest chains. Placements have also been made in hotels, motels, clubs, hospitals, colleges and school, nursing and retirement homes.

Outstanding successes in the placement of persons with disabilities in foodservice is not haphazard. The

The National Restaurant Association's PWI program is a means of bringing the industry and vocational rehabilitation services together in mutual understanding and cooperation.

Top nine placements by state

State	Number of placements
Texas	843
Virginia	534
South Carolina	420
Michigan	356
Oklahoma	242
Mississippi	238
Missouri	220
New York	207
Maryland	149

Mobile foodservice program in Wyoming

The Southwest Wyoming Rehabilitation Center, headquartered in Rock Springs, is operating a new mobile foodservice program for handicapped individuals to provide a bridge between training programs and community work. The mobile foodservice program can employ individuals with at least three different levels of handicaps, and the experience gained in this sheltered situation can lead to job placement in competitive industry. Approximately eight percent of the individuals served through the Division of Vocational Rehabilitation—or 45 people—are placed in foodservice establishments each year.

The mobile foodservice program provides employment training in two different settings—kitchen food preparation, which employs five handicapped individuals, and in the various aspects of vending. The vending van, which employs four people, is equipped to sell hot food, snack food, drinks and ice cream. The food is prepared in kitchen facilities at the rehabilitation center and then transferred to the truck, where it goes on a predetermined route to in-

Rock Springs artist John Iungrich painted scenes from Wyoming's old West on the van, which has been named "Casey's Chuckwagon" in honor of Wyoming's First Lady, Casey Herschler.

THE LAW

State and federal laws regulating rest and luncheon breaks

NRA's legal information services department has received numerous requests for up-to-date information on federal and state laws regulating employee rest and luncheon breaks in the restaurant industry. The following information on break requirements has been provided by federal and state labor law enforcement agencies. If you have further questions, call NRA Legal Information at (202) 638-6100 or write to NRA at 311 First St. N.W., Washington, DC 20001.

There is no federal law requiring a restaurant employer to give an employee rest or luncheon breaks. However, the federal minimum wage law (the Fair Labor Standards Act, FLSA) does have a provision that employers must pay a minimum amount (now $3.35) for each hour worked. Under this law, the U.S. Department of Labor (DOL) has adopted regulations requiring payment of minimum wages for breaks given that are less than 30 minutes in duration as, for example, two 15-minute breaks per day. If the employer gives the employee a break of 30 minutes or more and the employee is relieved of all work duties during that time, then no payment of wages is necessary. Luncheon periods are an example of such a break.

State laws

Many state legislatures have adopted laws requiring employee rest or luncheon breaks. Failure to comply with the requirements of these laws often result in employee complaints with resultant expensive employer penalties. State requirements on this subject are summarized below.

Alabama: No state law. Federal standards applied.

Alaska: No state law requiring breaks or lunch periods.

Arizona: No state law requiring breaks or lunch periods.

Arkansas: When given, employer pays for breaks 20-minutes or less in duration.

California: Employee is entitled to a 10-minute break for every four hours worked. This is paid for by the employer. Lunch time (minimum of 30 minutes for an eight-hour day) is not paid for unless employee remains on the job to perform work-related duties.

Colorado: Employee is entitled to a 10-minute break for every four hours worked. This is paid for by the employer. After five hours worked, a 30-minute meal period can be deducted by employer if employee is completely relieved of duty.

Connecticut: No state law on breaks.

Delaware: No state law requiring breaks. If break is given, however, it is up to employer to decide whether to pay for it.

District of Columbia: No breaks or meal periods required. The decision is strictly left up to company.

Florida: No state law. Federal law followed: if company allows a break, employer pays for it. However, if break is for 30 minutes or more, it is not paid for.

Georgia: No state law on breaks or lunch periods. Individual employer makes decision about breaks and lunch periods and whether to pay for them.

Hawaii: No state law requiring breaks or lunch periods.

Idaho: Breaks are not covered by state law. Individual employer decides whether to give break and/or pay for it.

Indiana: No state law requiring breaks or lunch periods.

Illinois: No provision related to breaks except lunch break. If employee works seven and a half hours per day, he is entitled to a 20-minute meal period. This break can be deducted from employee's pay.

Iowa: No state law on breaks or lunch periods for adults. Minors must have 30-minute break after five hours worked. If paid breaks are given, they are considered an employee benefit.

Kansas: No state law requiring breaks or lunch periods.

Kentucky: Employee is entitled to a 10-minute rest period for every four hours worked. These breaks are paid by employer.

Louisiana: No state law. Federal law followed.

Maine: No state provision on breaks.

Maryland: No state law on breaks except for minors between 14 and 17 years of age. They must be given a 30-minute break after five continuous hours of work.

Massachusetts: Break policy is established by employer. Employer must allow a 30-minute break after six working hours, but he does not have to pay for it.

Michigan: Minors under 18 years of age are entitled to a 30-minute break every five hours, but employer does not have to pay for it.

Minnesota: If break is given, employer pays for it.

Mississippi: No state law on breaks.

Missouri: No state law on breaks or lunch periods.

Montana: No laws requiring breaks. But if employer gives breaks, he must pay for them.

Nebraska: No state law on breaks.

Nevada: Two 10-minute breaks are allowed in an eight-hour day. These are paid for by employer. Employee is also entitled to a 30-minute lunch period in an eight-hour day, but employer does not have to pay for it.

New Hampshire: No state law on breaks.

New Jersey: No state law on breaks except for persons under 18 years of age. After five hours worked, minors must be given a 30-minute luncheon break.

New Mexico: No state law on breaks; company policy dictates.

New York: No state law on breaks, except meal periods. If employee works six or more hours, he is entitled to not less than a 30-minute break. Employer does not have to pay for this time.

North Carolina: Breaks are considered a fringe benefit. If break is 20 minutes or more, employer does not have to pay for it. Minors (14 and 15 years of age) are entitled to a 30-minute break after five continuous hours of work.

North Dakota: Breaks are not mandatory. However, employer must give 30-minute mealtime break for a full day's work. Employer can pay for this break if he so chooses.

Ohio: Breaks are strictly left up to employer. The only mandatory provision is for minors under 18 years of age, who must be given a 30-minute break after five hours of work.

Oklahoma: No state law covering breaks or meal time except for employees 16 years old or younger, who must be given a 30-minute break for every eight hours worked. Employer does not have to pay for this break.

Oregon: Minors under 18 years of age are entitled to a 15-minute break for every four hours worked. A 30-minute lunch period is required for all workers who work at least five hours.

Pennsylvania: Breaks are not mandatory except for persons under 18 years of age, who are entitled to a 30-minute break after five hours of continuous work. Employer does not have to pay for this time.

Puerto Rico: Federal law applies.

Rhode Island: After six hours of work, employee is entitled to a 20-minute break, which employer does not have to pay for.

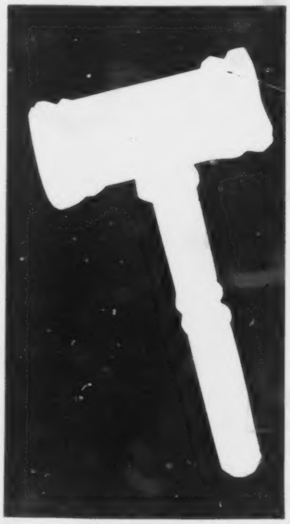
South Carolina: No state law governing breaks or lunch periods. Decision left up to employer.

South Dakota: No state law on breaks or rest periods. Employer makes decision.

Tennessee: Breaks and meal periods are left to the discretion of the employer.

Texas: Breaks and meal periods are left to the discretion of the employer.

Utah: Employee is entitled to two 10-minute break periods and a 30-minute lunch period within an eight-hour workday. Breaks are paid for. Lunch periods are not paid if employee is relieved of all duties.



Vermont: No provision in statute stating that employer must give breaks.

Virgin Islands: Federal law applies.

Virginia: Employee must be paid only for hours actually worked; therefore, employer does not have to give breaks. Exception: minors under 16 years of age must be given at least a 30-minute break after five hours worked.

Washington: Breaks are paid for by employer. Employee is entitled to one 10-minute break for every four hours worked.

West Virginia: Breaks and rest periods are authorized by the employer. If authorized break does not exceed 20 minutes, it is considered hours worked and must be paid for by the employer.

Wisconsin: No state law on breaks and rest periods except for minors under 18 years of age. Minors must be given a 30-minute break after six hours of work.

Wyoming: Employee is entitled to two 15-minute breaks: one in the morning and one in the afternoon. Law written to apply to women only.

—*Clyde Griffith*

MARKET KNOWLEDGE

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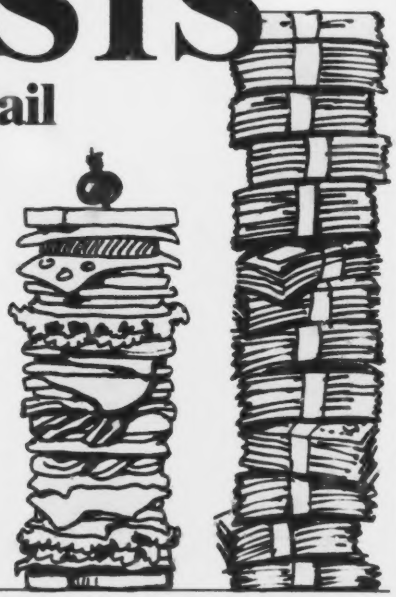
1984 FOOD COSTS

should trail inflation



The following article summarizes the latest U.S. Department of Agriculture (USDA) commodity information. It may help restaurateurs gain a better understanding of what will be happening to wholesale food costs this year. NRA will update this information as new developments in commodity prices and supplies become apparent.

Food costs will be up in 1984 but should rise slower than the rate of inflation. NRA expects overall wholesale food costs to rise a moderate 4.5 percent during 1984, slightly less than the predicted 5.0 percent general inflation rate.

Some of the factors which may affect food costs in 1984 are

- *improving consumer demand.* Rising consumer incomes due to the strengthening economy could bolster food prices.
- *after-effects of the 1983 summer drought.* Higher grain prices have resulted in large supplies of meat products being sent to market. This situation has lowered prices and should continue through the first half of 1984 when supplies may begin to tighten.
- *consumer preferences.* Americans continue to be interested in healthy and nutritional foods. This trend will boost vegetable, fruit and even poultry consumption and may influence the prices of these commodities.
- *marketing costs.* Labor and transportation costs are expected to remain fairly stable in 1984. This should temper food price increases.
- *dairy legislation.* New dairy regulations could lower dairy prices and also potentially affect beef, pork and poultry prices. If dairy producers send a large number of cows to market to reduce their production levels, the larger beef supplies could dampen overall meat price increases.
- *temperamental Mother Nature.* Weather always plays a primary role in determining food supplies and prices.

New dairy legislation...

New dairy legislation, passed November 29, 1983, should not affect dairy prices as much as it may potentially affect other commodity price levels. Among other things, the legislation has lowered the price support level 50 cents and introduced a paid diversion program, which provides a $10-per-cwt payment to producers who sign up to reduce their milk output between five and 30 percent. As a result, producers may send more of their cows to market for slaughter. This could boost beef supplies and possibly send beef prices—primarily hamburger and processing meats—tumbling. Provisions in the legislation, however, are supposed to prevent this from happening. Since this is a new dairy program, USDA is not certain at this point how farmers will react and cannot specifically forecast the results of the legislation. NRA will continue to track the effects of the new program and present updated information as soon as it becomes available.

USDA's initial forecast projects that, due to the new legislation, milk production will drop between four and nine percent this year. Even so, the continued surplus—which remains substantial—and the lowered price support level should hold dairy prices stable or even move them downward. For instance, USDA expects cheese prices to drop approximately 5.0 cents per pound and butter prices to decline 5.5 cents during the first half of 1984.

Beef continues to be a good buy...

Beef producers are sending more cattle to market due to higher feed costs caused by the 1983 summer drought. Thus total beef supplies should continue to rise through the first quarter of 1984—reaching 5.6 billion pounds. This is a two-percent gain over 1983. In the second quarter, beef production is expected to tighten, declining four percent for a total of 5.3 billion pounds. No dramatic turnaround is expected in the remainder of the year, and total beef production during 1984 is expected to decline three to four percent from 1983 levels. Even so, production is expected to be above 1981's and 1982's supply levels.

The current plentiful supply of beef has caused overall beef prices to drop. According to Ron Gustafson, USDA economist, beef prices hit their lowest point since April 1981 during the 1983 fall quarter. Beef should continue to be a good buy through early spring of 1984, but prices may gain sharply in late spring and summer when beef supplies are expected to decrease. Prices are projected to decline modestly next fall, however, as meat supplies rise seasonally.

During the first quarter of 1984, prices for choice-fed steers at Omaha should range between $62 and $66 per cwt, only slightly above the average price posted during the prior year—$62. Prices are expected to average $66 to $70 per cwt in the second quarter and approximate last year's $67 average.

These predictions do not take into account the possible effects of the recently passed dairy legislation. The new law could potentially force more dairy cows on the market, increasing overall beef supplies and reducing beef prices. The sharpest price reductions will be in the hamburger and processing meat categories as they will directly experience the large increases in supply. Grain-fed beef supplies will not change drastically, but USDA says grain-fed beef prices may undergo a similar but smaller price decrease—due to the overall increase in beef supplies.

Pork supplies remain plentiful. . .

Pork supplies remain plentiful—partially due to the after-effects of the drought. During the fourth quarter of 1983, production was up substantially—14 percent—and totaled 4.2 billion pounds. USDA expects pork output to remain high through the first quarter of 1984 and projects production will rise eight percent over 1983's level. Overall pork supplies should level off somewhat by the second quarter to 3.8 billion pounds—a one percent gain over the same period a year earlier. Total commercial pork production for 1984 may be around 14.7 billion pounds, down two percent from 1983 but four percent above 1982.

Due to the current ample supply of pork, prices have stayed unusually low. During the fourth quarter of 1983, hog prices averaged $39 to $41 per cwt, compared with $55 a year ago—a significant drop. Prices are expected to remain relatively low through the first quarter of 1984 and range between $42 and $46 per cwt, still substantially below the $55 per cwt average received one year earlier. In the second quarter, hog prices should rise somewhat as supplies level off to average $45 to $49 per cwt. This price range approximates 1983's average $47 per cwt during the second quarter.

Again, these USDA predictions do not include any possible repercussions of the new dairy legislation. If large supplies of beef do reach the market, pork prices may also be affected. The larger beef supply will lower beef prices, and pork prices may drop to compete with the reduced beef prices.

Broiler supplies should be stable. . .

Despite higher feed costs due to the drought, broiler output in the fourth quarter of 1983 is expected to be about the same to two percent higher than one year earlier. For the first half of 1984, broiler production is projected to be 6.3 billion pounds, which is about the same as in 1983. With grain prices expected to moderate, broiler output in the second half of 1984 may be up five percent over 1983. Total production for next year is expected to increase five percent over 1983.

According to Alan Baker, USDA economist, broiler prices usually follow beef and pork price trends. In early 1984, however, even though pork and beef prices are expected to be relatively low due to larger-than-usual supplies, broiler prices are not projected to drop. Reason why: Strong consumer demand, stable production levels and somewhat higher feed costs will cause broiler prices to actually rise somewhat during the first half of 1984. During the first quarter of 1984, broiler prices are expected to average between 48 to 52 cents per pound, compared with 43 cents per pound one year earlier. Second quarter prices are projected to range between 50 and 54 cents per pound, versus 46.5 cents during 1983.

Egg production expected to drop. . .

During the first half of 1984, egg production is expected to be one to three percent below 1983 levels. Higher feed costs may force producers to sell hens when the birds' productivity declines, and this will lower overall egg production.

Prices for eggs should strengthen as a result of the lower supply levels. For the

Percent change in wholesale commodity prices

(1975 to first 10 mos. 1983)

Commodity	1975 to 1976	1976 to 1977	1977 to 1978	1978 to 1979	1979 to 1980	1980 to 1981	1981 to 1982	10 mos. 1982 to 10 mos. 1983
Bakery products	0.7%	3.5%	7.8%	10.0%	11.7%	8.3%	3.3%	3.0%
Flour & cereal	**−8.9**	**−5.8**	**13.1**	**12.4**	**12.3**	**−7.0**	**−5.3**	**0.9**
Beef & veal	11.5	1.0	28.4	24.7	3.2	−5.0	−0.8	−3.8
Other meats	**−5.2**	**−4.4**	**16.7**	**−2.8**	**−2.7**	**7.6**	**16.9**	**−6.5**
Poultry & eggs	−4.1	0.1	8.1	0.7	1.0	2.4	−6.7	5.5
Fish & shellfish	**24.6**	**8.0**	**6.4**	**22.6**	**−3.2**	**1.8**	**11.8**	**8.1**
Sugar & sweets	−21.2	−7.2	6.6	6.9	35.4	−2.9	−2.6	5.2
Vegetables	**−4.7**	**4.2**	**6.0**	**2.0**	**7.5**	**22.6**	**−4.4**	**1.5**
Fruits & juices	0.8	12.0	17.6	8.7	4.2	4.1	2.9	2.1
Beverages	**23.4**	**43.5**	**−8.6**	**0.8**	**0.8**	**−2.3**	**4.5**	**1.2**
Dairy products	8.1	3.0	8.6	12.1	12.1	6.4	1.3	0.8
Fats & oils	**−18.3**	**14.0**	**6.1**	**6.4**	**6.4**	**2.1**	**−1.4**	**5.6**
NRA food cost index	**−1.5%**	**5.8%**	**11.2%**	**12.2%**	**5.0%**	**3.0%**	**2.5%**	**0.5%**
All food, producer price index[1]	**−3.8%**	**4.4%**	**10.5%**	**9.5%**	**8.0%**	**3.1%**	**1.1%**	**0.9%**

[1] **Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.**

Sources: *Producer Price Index*, Bureau of Labor Statistics; NRA.

fourth quarter of 1983, prices for Grade A large eggs delivered to stores in New York are expected to average 79 to 81 cents, up from 68 cents during 1982. With smaller egg supplies, prices may average 70 to 73 cents during the first half of 1984, compared with 67 cents a year earlier.

Fruit supplies expected to be adequate. . .

According to USDA, fruit supplies are expected to be adequate throughout the 1983/84 season. Overall fruit prices are projected to rise only slightly due to relatively small increases in transportation, labor and marketing costs.

Initial forecasts for the 1983/84 citrus crop indicate supplies will be up five percent above a year earlier and a significant 17 percent above the 1981/82 season. The 1983/84 citrus crop is expected to reach 14 million tons with larger supplies of grapefruit, lemons, oranges and tangerines. Smaller production levels are expected, however, for limes, tangelos and Temple oranges.

Unseasonably cold weather in Florida during late December may hurt the Florida orange crop, but ample supplies from California and Brazil will prevent a significant drop in overall citrus supplies. Therefore, USDA expects fresh fruit prices to remain fairly stable.

The 1983/84 non-citrus crop, including major tree fruits, grapes and cranberries, is forecast to reach 12.2 million tons—13 percent below the prior year, but still slightly above the 1981/82 season. This is due primarily to the 1983 summer drought which dropped production forecasts for some fruits, such as apples, grapes and peaches. Even so, the apple crop is projected to be two percent larger than last year, and supplies of winter pears will be up nine percent. Consequently, overall supplies of fresh non-citrus fruit should be adequate through the first half of 1984, and prices are not expected to rise significantly.

Slightly higher vegetable prices forecast. . .

Michael Stellmacher, USDA economist, expects vegetable prices to average above the previous year's relatively low levels through the first half of 1984. Increased consumer demand due to both the recovering economy and continuing interest in fresh and healthful foods will cause prices to rise somewhat. Reduced supplies of some commodities, along with slightly higher marketing costs, will also help push prices up.

Even though weather conditions in 1983 were very extreme, the cumulative effect on total vegetable supplies was relatively small. A very cool, wet spring, coupled with the worst drought in 50 years, disrupted fresh vegetable production. However, high carryover stocks for many vegetables should insure adequate supplies for most items through the 1983/84 season.

Reduced production of processing vegetables during the 1982/83 season will translate into smaller packs for most items and cause total 1983/84 supplies to drop from the prior year. Increased carryover stocks should dampen the effects of the reduced supplies, though, and prevent prices from rising significantly.

Canned supplies will decline the most substantially due to sharp reductions in snap beans, sweet corn and green peas. Supplies of canned tomatoes, tomato juice, beets and carrots should approach last year's levels because of large carryover holdings. Total canned supplies during the 1983/84 season are expected to be six to 10 percent below 1982/83 levels. Reduced demand for canned vegetables, however, will limit price gains for these items.

Total frozen supplies for 1983/84 are projected to decline only slightly from 1982/83's all-time high levels, largely due to a 75 percent increase in carryover stocks. Consequently, USDA expects total frozen supplies will drop only two to four percent during the first half of 1984. Thus prices for frozen vegetables should remain fairly stable.

Commodity price index

Commodity	1981 to 1982	Oct. 82 to Oct. 83	10 mos. 82 to 10 mos. 83	Sept. 83 to Oct. 83
	Percent change			
Bakery products	3.3%	5.1%	3.0%	1.1%
Flour & cereal	**−5.3**	**3.4**	**0.9**	**−0.5**
Beef & veal	−0.8	−1.3	−3.8	−0.6
Other meats	**16.9**	**−18.0**	**−6.5**	**−3.8**
Pork	14.0	−20.3	−7.1	−4.6
Poultry & eggs	**−6.7**	**9.1**	**5.5**	**−3.0**
Poultry	−7.6	7.6	0.7	−4.2
Eggs	**−4.5**	**12.5**	**0.8**	**nc***
Fish & shellfish	11.8	−1.3	8.1	0.3
Sugar & sweets	**−2.6**	**5.0**	**5.2**	**−0.6**
Sugar	−2.5	7.6	8.7	−0.8
Vegetables	**−4.4**	**27.3**	**1.5**	**7.0**
Fresh vegetables	11.2	46.7	1.9	10.8
Fruits & juices	**2.9**	**14.2**	**2.1**	**7.1**
Fresh fruit	3.6	32.6	6.9	13.3
Beverages	**4.5**	**1.4**	**1.2**	**0.2**
Dairy products	1.3	0.4	0.8	0.2
Fats & oils	**−1.4**	**31.3**	**5.6**	**−0.1**
NRA food cost index	**2.5%**	**2.7%**	**0.5%**	**0.3%**
All food, producer price index[1]	**1.1%**	**3.2%**	**0.9%**	**nc***

[1] **Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.**

***No change**

Sources: ***Producer Price Index*, Bureau of Labor Statistics; NRA.**

Americans expected to eat slightly less food in 1984

Americans may be eating slightly less food in 1984. According to U.S. Department of Agriculture (USDA) projections, per capita food consumption in 1984 is expected to decline approximately 0.2 percent, following a 1.0 percent increase in 1983. Although real personal income is expected to rise during 1984 and boost consumer demand for food, smaller food supplies—particularly meat products—will dampen overall consumption.

Some foods will be more popular than others. Because consumers continue to be interested in healthy and nutritional foods, for example, vegetable consumption is expected to jump during 1984 and post a 2.8 percent increase. Poultry consumption should show the second largest gain in 1984 and rise 1.5 percent, also partially due to the growing interest in nutrition.

Although consumer preferences can affect long-term consumption patterns, short-term consumption trends are primarily influenced by commodity prices and supplies. Consequently, when planning menu choices, restaurateurs should look at the projected availability and costs of food items as well as consumer preferences.

Beef and veal consumption expected to decline...

Per capita consumption of beef and veal is expected to drop 5.0 percent to 76 pounds per person in 1984. This projection estimate is based primarily on the expected cutback in meat production resulting from higher feed costs caused by the 1983 drought. Smaller supplies are expected to boost meat prices in the second half of 1984, and this may cause consumers to eat less beef and veal. A variety of factors, including consumer demand for lighter foods, has caused beef consumption to decline fairly steadily since 1970's peak of 84 pounds per person.

Pork consumption should drop...

USDA projects per capita consumption of pork will drop 3.2 percent to 61 pounds per person in 1984. Ample supplies and low pork prices caused pork consumption to jump 6.8 percent during 1983. In 1984, however, higher prices for feed grains brought on by the 1983 summer drought should reduce production and raise pork prices. USDA expects lower supplies and higher prices will force consumers to look for less expensive sources of protein, such as poultry products.

Poultry consumption continues to rise...

Consumption of poultry on a per-person basis should continue its upward trend this year. Per capita consumption has risen steadily from 64 pounds in 1982 to 65 pounds in 1983 and an expected 66 pounds in 1984.

Although poultry prices will rise somewhat due to higher feed costs—a result of the dry summer conditions, prices will still be relatively low compared with other meat products. Comparatively low prices, coupled with consumer desire for lighter foods, will continue to boost poultry consumption.

Consumers may be eating fewer eggs...

USDA projects per capita consumption of eggs will drop from 34 pounds in 1983 to an estimated 33 pounds in 1984. Egg consumption should be down because of rising egg prices, competition from other breakfast foods and consumer concern about cholesterol intake.

Dairy consumption expected to drop...

Consumers may be eating less dairy products—including milk, cheese and butter—in 1984. USDA expects per capita consumption to drop 0.7 percent to 303 pounds per person. Changes in the dairy legislation, however, will affect dairy prices and supplies and may influence consumption.

Consumers may eat slightly less fruit...

USDA expects consumers to eat slightly less fruit in 1984 and projects per capita consumption will drop 0.6 percent to 163 pounds per person. Although consumers may be eating more fruit in some categories, the expected reduction in the 1984 California orange crop will cause a slight decline in overall fruit consumption.

In 1983, fruit consumption was up a hefty 5.1 percent due to the large apple crop in the fall of 1982 and plentiful orange supplies from Florida and California.

Vegetable consumption up a healthy 2.8 percent...

Americans are expected to eat more vegetables in 1984. USDA projects per capita consumption of vegetables to reach 288 pounds per person—up a healthy 2.8 percent. Overall vegetable production is expected to rise, assuming normal weather conditions, which will contribute to the increased consumption. Consumers' continuing interest in eating healthy, low-calorie foods will also boost vegetable consumption.

Per capita food consumption*

1981-1984	**1981**	**1982**	**1983ᴾ**	**1984ᶠ**
All food	**1,396**	**1,385**	**1,399**	**1,396**
Beef and veal	79	79	80	76
Pork	65	59	63	61
Poultry	63	64	65	66
Eggs	34	33	34	33
Dairy products	304	302	305	303
Cereals and bakery products	151	150	151	150
Fruit	163	156	164	163
Vegetables	283	287	280	288
Sugar and sweetners	135	134	134	135

*Pounds per person P = preliminary figures F = forecast figures

Source: U.S. Department of Agriculture, November 1983.

Annual CREST report shows traffic up for third year in a row

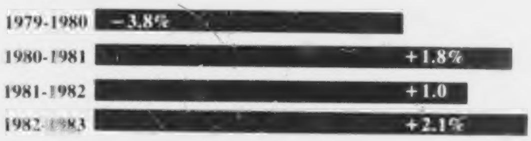
Customer traffic rose for the third consecutive year in 1983. During the 12-month period ending August 31, 1983, customer counts advanced 2.1 percent. This compares favorably with a somewhat slower gain in the prior year—1.0 percent—and indicates the restaurant industry has gained momentum due to the strengthening economy.

The following article summarizes some of the highlights from the most recent CREST (Consumer Reports on Eating Share Trends) annual report, which covers the 12-month period between September 1982 and August 1983. Comparisons are made to the year ending August 1982.

Traffic advances 2.1 percent. . .

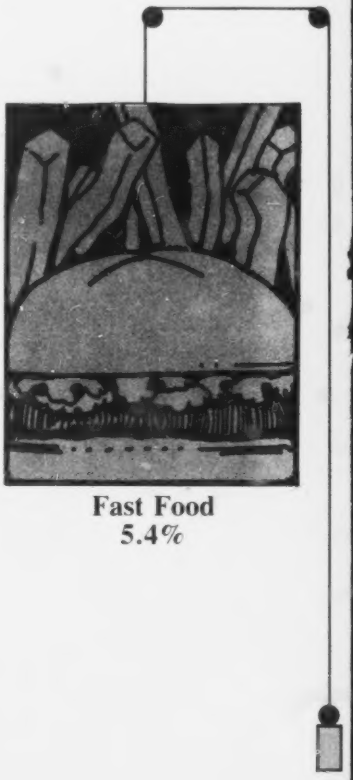
- **Restaurant traffic** advanced for the third consecutive year—up 2.1 percent in the year ending August 1983. Traffic was up in all four quarters: 2.9 percent in the fall, 2.4 percent in the winter, 2.2 percent in the spring and 1.3 percent in the summer.
- **Party size,** the average number of persons per occasion, was up 1.0 percent. The average number of times families visited restaurants—**visit frequency**—rose slightly to 8.6 visits in a two-week period during the most recent CREST year. Both of these factors contributed to the overall traffic gains.
- The **proportion of families** in the eating-away-from-home market declined slightly—from 78.0 percent in the CREST year ending August 1982 to 77.8 percent in the most recent CREST year.
- **Fast food** restaurants recorded the largest gain in traffic in the 1983 CREST year—up 5.4 percent. Customer counts at this restaurant type posted their strongest advance in the fall quarter—10.4 percent.
- **Family** restaurants experienced the second largest rise in customer traffic—up 3.6 percent in the year ending August 1983. This compares with a 3.5 percent advance recorded in the prior CREST year.
- Customer counts at **atmosphere/specialty** establishments rose slightly—0.8 percent—in the 12-month period ending August 1983, compared with a decline of

"Percent change in total restaurant customer traffic 1979-1983"



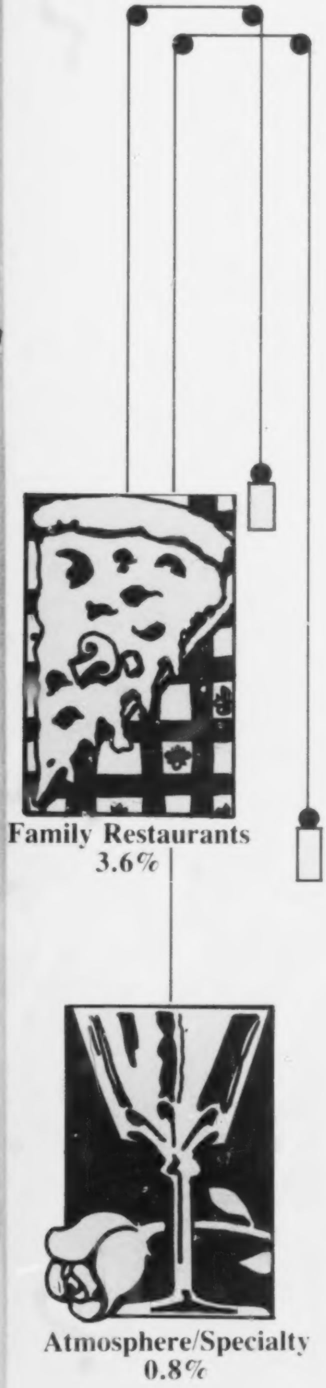
Note: Based on year ending August 31
Source: *CREST, NPD Research, Inc*

Fast food traf



Fast Food
5.4%

fic still on top



0.5 percent in the year before.

- **Cafeterias** experienced an 11.1 percent drop in traffic in the 1983 CREST year. **Take-out** restaurants and **coffee shops** also posted traffic declines—0.8 percent and 2.0 percent, respectively.

- Traffic increased for each meal occasion with the exception of snacking in the most recent CREST year. **Breakfast** easily captured the number one spot, with traffic jumping 11.0 percent. This compares with a somewhat lower advance—4.6 percent—one year earlier. Increased emphasis on the morning meal by restaurateurs accounts for some of the strong gains.

- Customer counts for **supper** were up 4.4 percent in the 12-month period ending August 1983. This is a considerable increase over the weaker 1.7 percent advance the year before. Traffic at the evening meal recorded the strongest gain in the fall quarter—7.4 percent—followed by an increase of 4.4 percent in the summer and a 3.6 percent rise in the winter period.

- **Lunch** traffic advanced slightly—0.1 percent—during the most recent CREST year, somewhat less than the 0.5 percent gain recorded in the prior year. Customer counts rose 1.2 percent in the winter quarter and 0.7 percent in the spring, but they declined 0.9 percent in the fall and 0.4 percent during the summer period.

- **Snacking** occasions recorded a 4.1 percent drop in the 1983 CREST year, compared with a 0.2 percent decline in the preceding 12-month period. Traffic counts declined 1.6 percent in the fall, 2.4 percent in the winter, 2.8 percent in the spring and 7.4 percent during the summer quarter.

Average check rose 5.4 percent...

- The average expenditure for a restaurant meal or snack—**per person check size**—rose 5.4 percent in 1983. This is up from the 4.9 percent increase posted one year earlier.

- The per person check size at **fast food** restaurants advanced 4.7 percent in the CREST year ending August 1983. This compares with a 3.8 percent gain during the prior year.

- **Atmosphere/specialty** restaurants posted a 4.3 percent increase in the average check size during the 1983 CREST year, somewhat below the 5.4 percent gain recorded for all restaurants.

- **Family** restaurants recorded a 5.2 percent gain in per person check size, slightly below the average increase for all restaurants in the year ending August 1983.

- **Cafeterias** posted a hefty increase in average check size—8.9 percent—during the most recent CREST year. **Take-out** establishments also experienced an above average gain—7.6 percent. **Coffee shops**, on the other hand, recorded only a slight increase—2.8 percent—in per person check size during the CREST year ending August 1983.

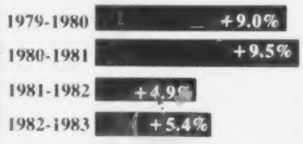
Promotion usage continues...

- Restaurant operators continued to use **promotions** as a means of increasing customer counts. In the most recent year, 11.1 percent of the meal occasions involved a promotion—up from 10.8 percent of occasions in 1982.

- Promotions were used most often in the winter and spring quarters, accounting for 12.9 percent and 11.0 percent of the occasions, respectively. Promotions were used for 10.9 percent of the occasions during the fall period and 9.9 percent of occasions during the summer quarter.

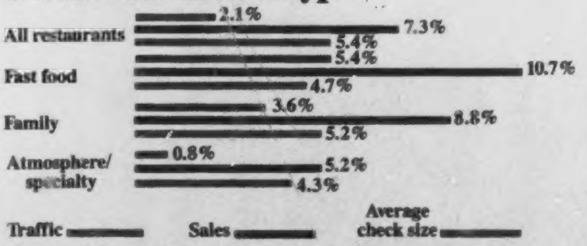
- **Fast food, family and atmosphere/specialty** restaurants used promotions more than did other restaurants during the CREST year ending August 1983. Promotions were used on 14.6 percent of meal occasions at fast food restaurants, 10.4 percent of occasions at family restaurants and 9.9 percent of occasions at atmosphere/specialty establishments.

Percent change in average check size for all restaurant categories
1979-1983



Note: Based on year ending August 31
Source: *CREST, NPD Research, Inc.*

1983 performance by select restaurant type



Note: Based on year ending August 31
Source: CREST, NPD Research, Inc.

National
Restaurant
Association

National Conference on Alcoholic Beverage Service

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NRA Education Programs
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Washington, D.C. 20001
800-424-5156
(202) 638-6100

Operating statement of a casual theme restaurant

To give restaurant operators a better idea of general operating costs of various segments of the foodservice industry, *Foodservice Trends* will periodically publish sample operating statements from different types of restaurants.

The following is an average operating statement for a chain of casual theme restaurants located primarily in the South. Each of these units of approximately 325 seats offers table service and is open from 11:00 a.m. to 12:00 p.m. during the week and until 1:00 a.m. Friday and Saturday nights. The operating report reflects figures for the fiscal year ending May 1983.

Operating Statement*

	June 1982 to May 1983
Sales	
Food sales	70.0%
Liquor sales	30.0%
Total Sales	100.0%
Cost of Goods Sold	
Food	37.8%
Liquor	28.6%
Total Cost of Goods	35.1%
Gross Margin	
Food	62.2%
Liquor	71.4%
Total Gross Margin	64.9%
Direct Operating Expense	
Payroll	26.8%
Payroll benefits	3.9%
Total Payroll	30.7%
Miscellaneous Operating Expenses	
Total utilities	3.6%
Laundry, uniforms	0.6%
Menus	0.1%
China, glass, silver	0.9%
Miscellaneous supplies	1.0%
Services purchased	0.3%
Repairs	0.9%
Maintenance	0.6%
Miscellaneous	3.2%
Total Miscellaneous Expenses	11.2%
Total Direct Expenses	77.0%
Direct Sales Profit	23.0%
Administrative and Occupancy Expenses	
Depreciation	5.1%
Rent	1.1%
Licenses and permits	0.2%
Administrative	6.5%
Advertising	3.5%
Total Administrative and Occupancy Expenses	**16.4%**
NET INCOME Before Federal Income Taxes	**6.6%**

*These percentages are based on total food and liquor sales except for the cost of food sold and the cost of liquor sold, which are percentages of their respective sales.

NRA publishes three new consumer attitude studies

Three new consumer attitude and behavior studies are now available from the National Restaurant Association. Each discusses patron expectations at a different type of restaurant—fast food, family and atmosphere.

The reports detail what various patron segments want and expect from the food served, service received and atmosphere enjoyed at different meal occasions. Examples of patron groups surveyed include frequent customers, men, singles, young adults, senior citizens, upper income households and households with children. In addition, the report examines reasons given for the eating out occasions. The accompanying charts will provide readers with an idea of the type of information contained in each publication.

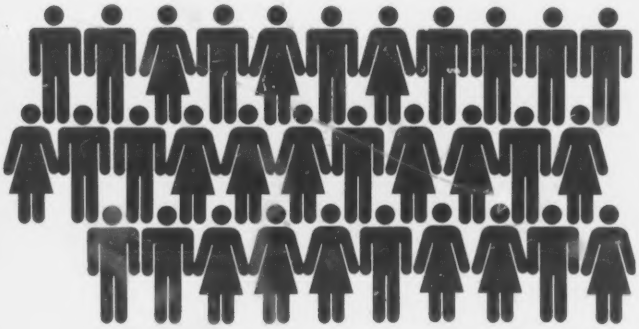
Order information...

Each report sells for $15 for NRA members and $30 for non-members plus shipping and handling charges. Payment must accompany all orders. Please specify the appropriate order numbers, which are as follows

- *Consumer Expectations with Regard to Dining at Fast Food Restaurants.* Order number CS925.
- *Consumer Expectations with Regard to Dining at Family Restaurants.* Order number CS926.
- *Consumer Expectations with Regard to Dining at Atmosphere Restaurants.* Order number CS927.

Please add $2 for shipping and handling for orders under $20. For orders over $20 add 10 percent of the total cost of items before taxes. Washington, DC, and Illinois residents must add a six percent sales tax to their totals. Chicago, IL, residents must add an additional one percent. Send order information (title of publication and order number) with accompanying check to the National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Credit card telephone orders are accepted. Call (800) 424-5156 or (202) 638-6100.



Food expectations for various fast food restaurant patron segments

Food expectation	Percent saying they very much expect this: Very frequent patrons	Men	Singles	Income over $35,000
Appropriate temperature of the food	58.1%	46.3%	53.3%	51.3%
Pleasing appearance of the food	52.7	43.0	50.3	42.7
Tastiness of the food	61.6	51.1	56.3	50.5
Variety of menu choices	21.1	16.7	19.0	6.1
Freshness of raw ingredients	58.5	44.7	46.7	53.1
Food cooked the way you asked for it	51.5	44.2	47.8	39.7
Food garnished the way you asked for it	41.9	33.8	43.1	30.8

Food expectations for various family restaurant patron segments

Food expectation	Percent saying they very much expect this: Very frequent patrons	Men	Singles	Income over $35,000
Appropriate temperature of the food	62.7%	57.6%	63.9%	61.0%
Pleasing appearance of the food	55.0	46.4	56.7	54.4
Tastiness of the food	69.4	65.3	68.2	67.1
Variety of menu choices	37.3	33.9	43.9	29.7
Freshness of raw ingredients	61.1	57.8	63.3	57.2
Food cooked the way you asked for it	61.9	57.8	60.7	57.2
Food garnished the way you asked for it	45.2	39.3	42.0	42.5

Food expectations for various atmosphere restaurant patron segments

Food expectation	Percent saying they very much expect this: Very frequent patrons	Men	Singles	Income over $35,000
Appropriate temperature of the food	87.4%	75.4%	81.0%	83.6%
Pleasing appearance of the food	77.4	71.1	80.4	75.4
Tastiness of the food	85.3	84.9	88.5	88.6
Variety of menu choices	56.6	42.7	54.3	42.0
Freshness of raw ingredients	80.6	75.1	84.0	81.2
Food cooked the way you asked for it	85.3	83.2	80.7	85.5
Food garnished the way you asked for it	60.8	59.6	60.1	60.9

Source: *National Restaurant Association, 1983*

—Cecelia Niepold

HALF BAKED

Restaurant starts scholarship fund for cook

When diners order the daily special at the Dos Yanquis Mexican Restaurant in Newport, RI, 25 cents goes into a fund to send one of the chefs to cooking school. This practice has been going on for two years with customer support. So far the kitty has grown to $2,500.

The scholarship fund is intended for Matthew Buckles who started working part-time at the restaurant when it was opened in 1981. He was 15 at the time and a second helper in the restaurant's kitchens. Buckles approached owners Paul Jacob and Brian Canning with his dream of attending cooking school. They wanted to help and began the Matthew Buckles College Fund with a $100 deposit into a savings account.

According to Jacob, "This fund has turned Matthew's life around. He came to us on a CETA plan without ambitions. Now his life has direction. He plans to enter Johnson and Wales College in September and continue on to a university to take business courses."

The fund may be the beginning of a permanent partnership with Johnson and Wales, Jacobs adds. The school is considering matching dollars received into the fund with school monies. Publicity about the Matthew Buckles College Fund has started to reap results as well: Checks are coming in from all around the country.

"I'm overwhelmed with the way the plan has taken off," marvels Jacobs. "I know it's something with great potential."

—NRA NEWS interview

Eating in poetic style

Customers at the Ozark B-B-Q Restaurant in Lancaster, TX, are treated to more than just good food.

Owner James O. Calvin writes poetry and prose and reads it to his customers while they dine on barbecued beef, candied yams and German-style potatoes.

Calvin's thoughts and philosophies have become so popular that he's putting it all down in book form. He plans to hand out copies to customers next month.

"Giving my customers a little baloney to go along with their beef helps their digestion," he says.

—USA Today

Alligator—you may see it later

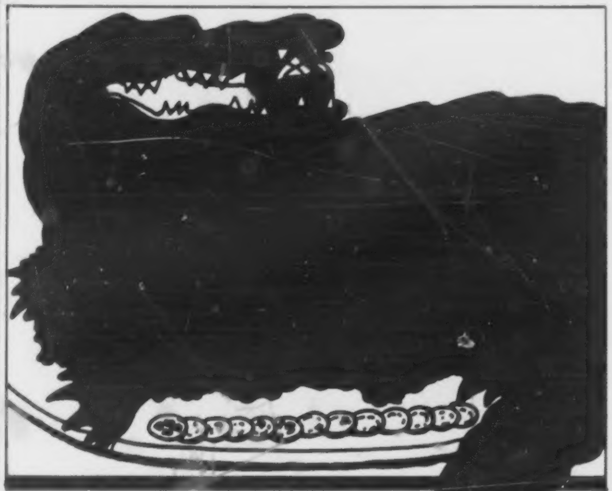
Those who have said "See ya later, alligator" probably never expected to find gator on their dinner plate. Yet, food science researchers at Louisiana State University (LSU) think that that's where alligator belongs.

A nutritional analysis of alligator meat showed it to be as high in protein as traditional meats and even higher in calcium and potassium. And because it's lower in calories, alligator meat is considered an ideal, if unusual, item for low-calorie menus.

Dr. Stanley Biede, associate professor at LSU, foresees a bright future for alligator meat in commercial and institutional foodservice.

Perhaps a little later we'll all see alligator.

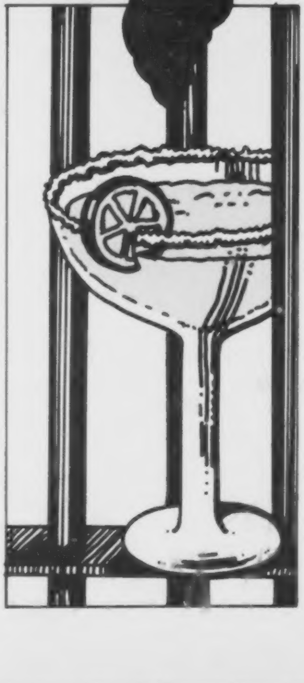
—Food Management



A "go to jail" party

Going to jail can be fun. That's what the citizens of Worcester, MA, found out recently when they attended a "go to jail" party that celebrated the renovation of a building that used to contain a courthouse, a police garage, a firehouse and ([illegible]) jail cells. The building is listed in the National Register of Historic Places. The jail cells will be used as booths in Margaritaville, a Mexican restaurant, and a 1921 fire engine will be built into the bar at the Firehouse Cafe.

—USA Today



NRA SEMINAR SCHEDULE

American Regional Cookery

3/6-7	Las Vegas, NV
3/12-13	Boston, MA

Banquets and Buffets

2/28-29	Philadelphia, PA
4/11-12	Tampa, FL
4/17-18	Milwaukee, WI

Simplified Baking Workshop

3/13	Chicago, IL
3/27	Washington, DC
4/4	Exeter, NH

Off-Premise Catering

3/5-6	Pittsburgh, PA
3/26-27	San Diego, CA
4/9-10	Atlantic City, NJ

Computers in Foodservice: A Primer

3/26	Baltimore, MD

Computers in Foodservice: Advanced Technologies/Now That I Have One...

3/27	Baltimore, MD

Perfecting Your Culinary Skills

3/6	Denver, CO
3/8	Las Vegas, NV
3/13	Columbus, OH
3/15	Indianapolis, IN
4/10	Richmond, VA
4/19	Atlanta, GA

Dining Room Management

2/2	Kansas City, MO
2/15	Louisville, KY
2/16	Milwaukee, WI
2/27	Tampa, FL
2/29	Birmingham, AL
3/7	Omaha, NE
3/26	Allentown, PA
3/28	Cleveland, OH
4/10	Atlantic City, NJ
4/16	Oklahoma City, OK
4/18	Memphis, TN

Controlling Food Cost

2/27	Schaumburg, IL
3/5	Burlington, VT
4/16	Kansas City, MO

Kitchen Management

2/6	Albuquerque, NM
2/8	Wichita, KS
2/15	Washington, DC
3/19	Little Rock, AR
3/26	Knoxville, TN
3/28	Columbia, SC
4/10	Atlantic City, NJ
4/16	Pittsburgh, PA
4/18	Cincinnati, OH

Principles of Labor Cost Management

2/6	New York, NY
4/11	Philadelphia, PA

Advanced Labor Cost Management

2/7	New York, NY
4/12	Philadelphia, PA

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

3/14-15	Atlanta, GA
4/4-5	New York, NY

Planning and Implementing Restaurant Marketing Strategy

4/2-3	Hartford, CT

Creative Merchandising Techniques

3/26	St. Louis, MO
4/9	Atlantic City, NJ

Motivation: Increasing the Desire to Do More and Better Work

2/15	Portland, OR
2/27	Portland, ME

Opening a Restaurant: Before You Start Cooking...

3/6	Dallas, TX
4/3	Raleigh, NC
4/7	Seattle, WA
4/9	Portland, ME

Operational Analysis

3/6-7	San Francisco, CA
3/27-28	Columbus, OH

Basic Purchasing

2/20	Atlanta, GA
4/2	Los Angeles, CA
4/9	Atlantic City, NJ

Soups and Sauces

2/6	Boston, MA
2/8	Philadelphia, PA

Basic Supervision in Foodservice

2/26	Washington, DC
2/28	Denver, CO
3/6	Baltimore, MD
4/3	Chicago, IL
4/17	New Orleans, LA

Train the Trainer

2/17	Spokane, WA
3/12	Salt Lake City, UT
3/13	Oklahoma City, OK

Wine: Sales and Merchandising

2/9	Cincinnati, OH
3/8	Philadelphia, PA
4/17	Atlanta, GA
4/19	New Orleans, LA

NRA Conferences 1984

2/19-22	**National Conference on Computers in the Foodservice Industry** Orlando, FL
3/19-22	**2nd Annual Conference on Alcoholic Beverage Service** San Francisco, CA

Hospitality Project Workshops

Dallas, TX

2/20-21	Fast Food
2/22-23	Full Service
2/27-28	Cafeteria

Washington, DC

3/5-6	Fast Food
3/7-8	Full Service
3/12-13	Cafeteria

For more information, contact:
NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156

[redacted]

IN-HOUSE SEMINARS MAY BE ARRANGED UPON REQUEST.

Hospitality Workshop

The pay off of the **Hospitality Workshop** is increased repeat business—a neccessity for any successful restaurant. After quality food, hospitality is the major reason customers choose one restaurant over another. In fact, if hospitality is poor, surveys show that three out of four guests won't be back.

Do you train your employees to treat guests right? Have you set up hospitality standards for your operation?

Whether you operate a full service, cafeteria or fast food establishment NRA's **Hospitality Workshop** will help you do both.

The two-day workshop is a train-the-trainer program. It prepares managers/trainers to introduce the NRA Hospitality program in their operations.

The NRA Hospitality Project is a total hospitality system designed with in-house audio-visual programs, employee manuals and certification materials—all of which the trainer receives during the workshop.

The workshop was developed in three different forms: one for *fast food* operations, one for *cafeteria* operations and one for *full service* restaurants.

All three workshops will be held in Dallas, TX, in February and Washington, DC, in March. For more information, contact NRA's Education Programs Department, 311 First St., NW, Washington, DC 20001
(20[illegible]) 638-6100 or (800) 424-5156.

Hospitality
brings them back

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National Restaurant Association
Vol. 4 ☐ No. 2 ☐ February 1984

NRA NEWS

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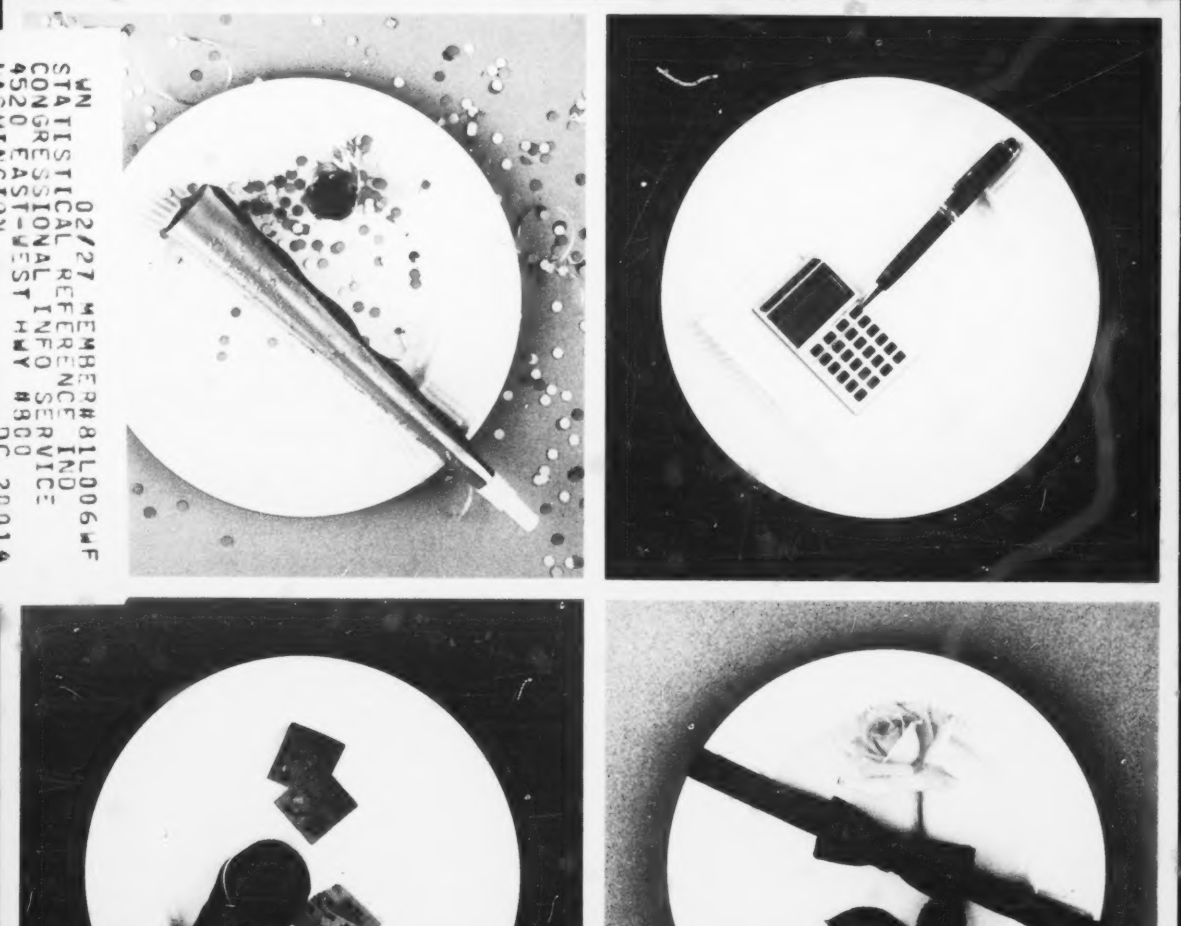

NRA Board tackles drunk driving

At the February board meeting the NRA directors set in motion an industry-wide campaign to assist in the effort to reduce the problem of drunk driving.

Even though restaurants and taverns dispense only one-fourth of the alcohol consumed in the country, our industry recognizes the tragedy that can result from driving after excessive drinking.

The board has committed NRA's resources to increase public awareness and understanding of the problem. It authorized the immediate development of a workshop designed to teach servers how to deal with the situations that could lead to drunk driving. During early summer, this program will be offered through state restaurant associations in every region of the country.

The board also authorized the development of posters, table tents and other materials that will help foodservice operators communicate their concern about drunk driving to employees and guests. NRA will make these materials available within a few weeks to establishments that serve alcoholic beverages.

Having taken these immediate measures, the board then established a task force of industry leaders to plan and coordinate ongoing industry-wide activities aimed at assisting efforts to reduce the problem of drunk driving—a problem which reaches far beyond the restaurant and tavern industry.

This task force will review education programs, public awareness programs, industry practices and alternative forms of transportation. It will then make recommendations to the NRA membership on how it can best aid in the effort to reduce incidents of drunk driving.

The task force will also contact other organizations already involved in programs aimed at dealing with the problem. To a great extent, the NRA board has committed the association to joining in a national campaign. The task force will tell us where and how we can make the greatest contribution.

Sincerely,

Joe R. Lee

Joe R. Lee
Chairman of the Board and
President

Vol. 4 No. 2 February 1984

NRA NEWS

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Cathy Kenney
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Robert A. Palmer
Andrew P. Poledor
James T. Rogers
Editorial Typist
Barbara Foley
Valgrie Pines

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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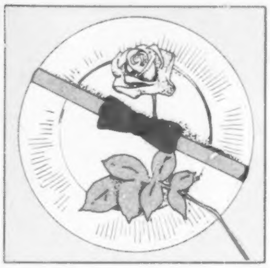

Your restaurant image is that intangible quality that makes your operation stand apart from your competition. Although the end result is greater than the sum of its parts, the image of a restaurant is not haphazard. It consists of hundreds of elements. Here is a look at some key ingredients.

5	An overview of 12 image factors.
6	A closer look at some ways you create your restaurant's image.
10	Spotlight on tablesettings and how they set the image stage.
12	How a public relations firm can help you communicate your image to your customers.

Specials

Index	17	This is the second annual index of articles in the ***NRA NEWS***, encompassing the 11 issues of 1983. Don't miss the section for NRA activities and services and the special breakout for "Washington Report" and "Foodservice Trends."
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BOWL CLASSIC
YES M!CHIGAN

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SHORT ORDER

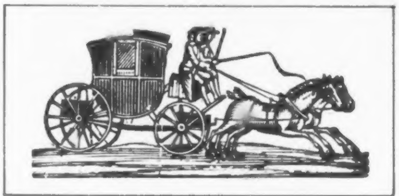
Travel outlook: good news for 1984

The 1984 Travel Outlook Forum held last December in Washington, DC, had good news for restaurants, hotels and motels: Travel will increase significantly in 1984 as Americans take to the road to satisfy pent-up wanderlust.

Two events that will add even more incentive to travel in 1984 are the Louisiana World Exposition in New Orleans, LA, May 12-Nov. 11, and the summer Olympics in Los Angeles, CA, July 28-Aug. 12. The Olympics should also increase international travel to the U.S.

The forum's keynote address speaker, Arthur White, vice chairman of Yankelovich, Skelly and White, New York, NY, said that Americans are still interested in the "full, rich satisfying life that was a goal in the 60s," but they have become more careful about saving and are spending their money wisely. They care about value and quality and will seek that in their travels.

Some of the notable trends predicted at the annual Travel Outlook Forum, which was sponsored by the U.S. Travel Data Center, included:



- Motel rates should increase six to seven percent, the occupancy rate should go up two to three percent, and total hotel revenues should increase nine to 12 percent.
- Restaurant prices will increase 5.3 percent in 1984, and eating and drinking places will see a nine percent increase in sales.
- Business travel will increase seven percent in 1984.

Forum proceedings, contained in the 200-page book *1984 Outlook for Travel and Tourism*, are available for $85 prepaid from the U.S. Travel Data Center, 1899 L St., N.W., Washington, DC 20036.

If you can't come to us, we'll come to you

If you've attended any of the numerous NRA educational seminars, which are presented throughout the country, you know how much there is to learn from instructors who know and understand your business. Why not share the experience with your managers, colleagues and employees right in your own operation?

The NRA education programs department now offers many of its most popular seminars on an "in-house" basis. Maybe you'd like your entire management staff to learn how to be more effective supervisors or to better manage their time. Because our instructors tailor their presentations to meet your special needs, this is a highly effective way to train your employees, and it shows a commitment from you to their development.

For more information on this program or any of the NRA seminars or conferences, contact NRA's education programs department, (202) 638-6100.

Culinary Heart Kitchen class set for March in New York

New York University and the New York Heart Association are co-sponsoring a cooking class called "Culinary Hearts Kitchen." The class, consisting of four Saturday morning sessions from March 3 to 31, will show participants how to cook healthy meals with flair.

Delia Hammock, nutritionist and food consultant, will demonstrate ways to reduce fat and increase the nutritional value of gourmet and classic meals without sacrificing flavor, color or texture. The fee is $80.00. Lectures, demonstrations and plenty of sampling are all part of the curriculum. For more information, contact Jenene Garey, assistant professor, Center for the Study of Foodservice Management, New York University, 537 East Building, New York, NY 10003.

NRA IN ACTION

Great Menu Contest entries due March 9

If you haven't entered your menu in NRA's Great Menu Contest, send in your form today. The deadline is March 9. Winning entries will appear in NRA's 1984 publication *Great Menus*. For more information, contact NRA's communications department.

Show registration

NRA Restaurant, Hotel-Motel Show registration badges will be sent to NRA members on March 15. Look for yours in the mail, and plan to attend the NRA Show, May 19-23, at Chicago's McCormick Place. ***NRA NEWS*** pre-Show coverage will appear in the April issue.

NRA Board meets

The NRA Board of Directors was meeting in Orlando, FL, as this issue of ***NRA NEWS*** went to press. The March issue of ***NRA NEWS*** will highlight board action at the winter meeting which is expected to include the naming of a new executive vice president.

NRA focuses on holiday traffic

An NRA contracted research report analyzed restaurant customer traffic for the 15 top U.S. holidays. It comes as no surprise that Mother's Day is at the top of the chart. Christmas Day is at the bottom. For more information, see *Foodservice Trends* in this issue.

WASHINGTON REPORT

National concern grows over drunk driving

This year the restaurant industry may find itself in the crossfire of what has become an emotional national issue: drunk driving. The Presidential Commission on Drunk Driving, calling for legal and judicial changes to keep intoxicated drivers off the roads, congressional interest in establishing a drinking age of 21 and heightened public awareness that drinking and driving don't mix have all come together to kindle interest in this issue.

"The situation is critical," said NRA Senior Director Jeff Prince. "The public is alarmed, and people may press for ineffective solutions that will hurt the industry." Prince said that at its February meeting the NRA Board reviewed an extensive program that will allow the industry to respond in a constructive manner to the DWI problem."

Several bills that would crack down on drunk driving by raising the drinking age to 21 were introduced in Congress last year. None of these proposals has advanced, although a bill by Rep. James Florio (D-NJ) to raise the drinking age has had hearings and was reported from a House energy and commerce subcommittee the congressman chairs.

Interest in this legislation will undoubtedly be sustained through the year by high public interest in the drunk driving problem and the recent report of the Presidential Commission on Drunk Driving, which also calls for raising the drinking age to 21. The Commission's final report was released in December and recommends a number of legal and judicial changes to prevent alcohol-related traffic fatalities.

These recommendations include changes in the drinking age, server liability and law enforcement. Among other things, the report recommends that all states enact dram shop legislation and that bars and restaurants display signs informing customers of the law relating to alcohol use and highway safety.

Nearly half the states (24) currently have some form of dram shop or third party liability statute. About 13 more states have common laws that cover third party liability. Only a dozen states have neither. Under these laws, sellers of alcoholic beverages may be held financially responsible if they provide alcoholic beverages to an obviously intoxicated person who injures a third party. The commission believes that all states should adopt such laws.

Although the report makes a number of other recommendations, it recognizes that changed public opinion is critical for finding solutions to the problem. It emphasizes that until drunkenness becomes socially unacceptable "most legal and judicial changes will bring no more than short-term solutions to the drunk driving problem." The Commission says that a comprehensive awareness and prevention program, coupled with legislative and administrative changes, "must be sustained for at least a decade and must make use of every channel of communication. . . ."

Dole agrees to some changes but not in allocation

As a result of continuing talks between NRA and the staff of U.S. Sen. Robert Dole (R-KS), the Senate Finance Committee may consider changes to the new tip reporting law this year. In December, Finance Chairman Dole indicated that he was looking at some modifications to the new law. His staff subsequently met with NRA Government Relations Director Ron Sarasin to discuss possible changes.

Dole has since said that he would look favorably upon three changes to the new law:

1) allowing a restaurant to "prove down" the eight percent allocation threshold to as low as two percent (under the current law, the allocation threshold can be reduced to no lower than five percent)

2) permitting a majority of tipped employees in a restaurant to petition for an allocation reduction (under the law, only an employer may apply for a reduction) and

3) requiring IRS to identify more precisely the applicable recordkeeping requirements for tipped employees.

NRA continues to support H.R. 3803. . .

Although NRA is pleased the senator sees the need for these modifications, Sarasin said they do not go far enough in correcting inequities that exist in the law. He added that NRA will continue to push for enactment of H.R. 3803.

"At this point, Sen. Dole is not willing to correct what we feel is the greatest problem with the new law: allocation. Therefore, we plan to continue to push for congressional consideration of H.R.3803. We feel this legislation offers necessary relief to employers and employees while also insuring that tipped employees pay their fair share of taxes."

Sen. Dole said in a letter to NRA that he could not agree to changes that would affect the basic allocation requirement because "we are told that step will substantially affect the revenue gain from the provision."

H.R. 3803 and a companion measure in the Senate, S. 2070, would replace allocation with a requirement that employers provide IRS with individual reported tips, individual charge tips and individual hours worked if total reported tips fall below eight percent of sales.

"The House bill continues to pick up support," Sarasin said. "In addition to the two original sponsors, Reps. John Duncan (R-TN) and Andrew Jacobs (D-IN), 99 other congressmen have signed onto the bill. That indicates a tremendous interest.

—Jay Morris

THE BOARD ROOM

NRA Foodservice Education Roundable attracts 120 participants

The NRA Foodservice Education Roundtable, held December 5, 1983, at the Marriott in Anaheim, CA, during the American Vocational Association (AVA) Convention, attracted more than 120 educators and foodservice executives.

The roundtable was designed to foster better communication and cooperation between the educational community and the foodservice industry.

A panel discussion of industry leaders and educators centered on four critical areas—forecasting the industry's future labor needs, designing and implementing instructional programs, pinpointing potential program resources and developing ways to continue collaboration between educators and the foodservice industry.

NRA Treasurer Ted Balestreri delivered the opening address. Other NRA board members participating in the discussion included Ernest H. Royal, Royals Hearthside, Rutland, VT; Nancy Dini-Sullivan, Dini's Sea Grill, Boston, MA; Peter Lee, of Victoria Station and Biff Naylor, Naylor Brothers Restaurants, Los Angeles, CA.

Also on hand for the occasion were the department heads of hotel and restaurant institutional management programs at Penn State, St. Louis Community College and the Minutemen Vo-Tech in Massachusetts as well as members of the NRA/AVA Advisory Council, the California Restaurant Association, the Council of Hotel and Restaurant Trainers (CHART) and Human Resources Committee member Frank DeCius, DeCius Enterprises, Portland, OR.

NRA board members featured in American Express hospitality booklet

Nine NRA board members were profiled in American Express' recently published booklet "50 Service Ideas That Work." The result of countless personal and telephone interviews with restaurateurs across the country, the booklet aims to help restaurateurs improve customer satisfaction.

NRA board members offered their thoughts on some key areas:

- *The guest*—Michael Grisanti, Casa Grisanti, Louisville, KY. "We ask with every reservation, who is coming and why? Is this a special occasion that we can give attention to? What would they like us to do? And we always give them what they want . . .
- *Team work*—Ella Brennan, Commander's Palace, New Orleans, LA. "If the staff is thoroughly prepared and supported, they feel comfortable. They know they are all working together; no one is going to let them down. Then they can do their best. . . ."
- *Concentration*—Don Dianda, Doro's, San Francisco, CA. "The secret is in concentration. Every service person should concentrate on his guests, look at their body movements. When they reach for something, an experienced waiter will know what that something is; and if it's not there, provide it."
- *Friendliness*—Mike Hurst, 15th Street Fisheries, Fort Lauderdale, FL. "When a nice friendly person sincerely talks to a customer about something he knows, when he gives him the gift of teaching and caring, that customer is going to go away talking about that restaurant and create word-of-mouth business that you can't advertise or buy."
- *The Right Questions*—Jack Kozlak, Kozlak's Royal Oak, Shoreview, MN. "A good waiter, though he cannot intuitively know at what rate a party wants to be served, can certainly ask, 'Are you in for a leisurely lunch today or are you on a time schedule?'
- *Cordiality*—Bill Regas, Regas Restaurant, Knoxville, TN. "You have to deal with walk-ins graciously. After all, you don't want to make them feel like second-class citizens just because they didn't call. . . ."
- *Minorities, the disabled and older workers*—Ernie Royal, Royal's Hearthside, Rutland, VT. "They have been excellent, dedicated employees, who are here every day."
- *Walk-ins*—Ted Balestreri, Sardine Factory, Monterey, CA. "We welcome them, tell them how glad we are they chose to be with us and invite them to wait in our bar. We tell them how long the wait will be—at prime time always more than an hour. And we offer to call other restaurants nearby for them. . . . People appreciate that, the friendliness and warmth. They know when you're sincerely trying to service them—not just twisting their arm to sell them a drink."
- *Children*—John Dankos, Stanley Stegmeyer's Hodgepodge, Richmond, VA. "I think they're an important part of our business. Families are eating out more than ever, and we need to make sure we're taking care of the children. Already I have second generation customers—young adults who started coming here as toddlers . . . Don't look at kids as a lower check average. Look at them as part of a family, special guests and your guests of tomorrow."

Copies of "50 Service Ideas That Work" are available for $6.95. From *Briefing*, P.O. Box 889, Midtown Station, New York, NY 10018.

—Dorothy Dee

Creating an image
12 key factors

by Jeri Galloway,
Director of Advertising and Marketing,
Schelde Enterprises

Image in the restaurant business is a collective impression. It is everything that the public associates with your restaurant. It is your appeal. The difference between good and bad image is the difference between eager, constant business and casual, occasional sales.

Everything that you do to attract business has an effect on your image. Image is very simple and, at the same time, very complex. It involves hundreds of aspects of your business. I call these aspects image factors.

Image factor 1—the exterior

The first important image factor is the exterior of your restaurant. At Schelde, we're in the family restaurant business. We tell our managers that we want the exteriors of our restaurants to look like their homes.

We don't want papers lying around outside. We don't want cigarette butts in the driveway. We don't want dumpsters sitting at the side of the building where customers can see them. We want it clean and neat.

Image factor 2—the interior decor

We want people who come in to feel comfortable. We want the place to be clean. We want chairs in our restaurant that are big enough to accommodate not just the average customer, but most customers. Cleanliness is extremely important—perhaps the most important thing in a family restaurant. Cleanliness helps convey a feeling of comfort.

Image factor 3—the feeling of the interior

We want the restaurant to exude a sense of personal warmth. We want people to feel welcome, to feel as though they are an important part of the environment, to feel as though we want them there and recognize them.

Image factor 4—employee uniforms

Uniforms are important. For a family restaurant I would recommend a uniform for hostesses, a uniform for waitresses, a uniform for cooks and a uniform for busboys. They can be casual, but they should all be the same.

Uniforms make customers aware that you care about your employees' appearance. Customers will infer that, if you care about employees, you probably care about your customers. Customers make a lot of inferences from what you do.

Image factor 5—employee attitude

This is a very important factor. Employees should be competent, and they should be considerate.

Image factor 6—food quality and variety

Food quality is more important than variety.

Image factor 7—portion size

Our philosophy on portion size is to give customers a little more than what they pay for. In the long run this encourages customer loyalty.

Image factor 8—food presentation

Food presentation is also important. If you want to make your restaurant appealing to people, the food has to be appealing.

In one of our restaurants we have a special item in the category of food presentation. It's ugly, a mixture of Mexican and Polish foods—a burrito, kielbasa, cherry tomatoes in the shape of a face—but we have fun with the presentation. Our menu describes the item as being so ugly that the waitresses refuse to serve it. Instead, the cook himself serves it. We keep a special hat in the kitchen and, after the cook has prepared the item, he puts on the hat and brings the dish out.

Image factor 9—efficient service

Good service, style and speed in serving also have a positive effect on your presentation.

Image factor 10—community involvement

Community involvement affects your image outside the restaurant. In a family restaurant, for example, you have to consider community involvement issues, such as whether you want to encourage high school students to come to your restaurant. If you do, then their families have a different image of the restaurant. You might consider having your managers, for example, talk to high school business classes. You could run ads in high school yearbooks. There are many ways to get involved in the community, that will affect your image in a very positive way.

Image factor 11—advertising

Your advertising style is very important to your image. Are you the kind of person who gets an idea, jots it down on paper and then calls up the newspaper to whip something together and put it in the paper? If you do that, the style of the ad can affect your image negatively. We never do that. We always give the newspaper camera-ready art for our advertisements. We hire a freelance artist to draw up the ad so there are no mistakes in it. I check it and make sure that it's right, and then we give it to the newspaper. That way, we can ensure that what goes in the paper is exactly what we want. We're very careful to guarantee that all of our advertising represents image that we want to portray.

Image factor 12—promotions

The type of promotions that you do also affects your image. If you constantly offer discounts, for example, your customers won't understand why you don't just lower your prices. There are types of promotions that can affect your image in a positive way and that will not give you a reputation as a discounter.

Does the public like your image?...

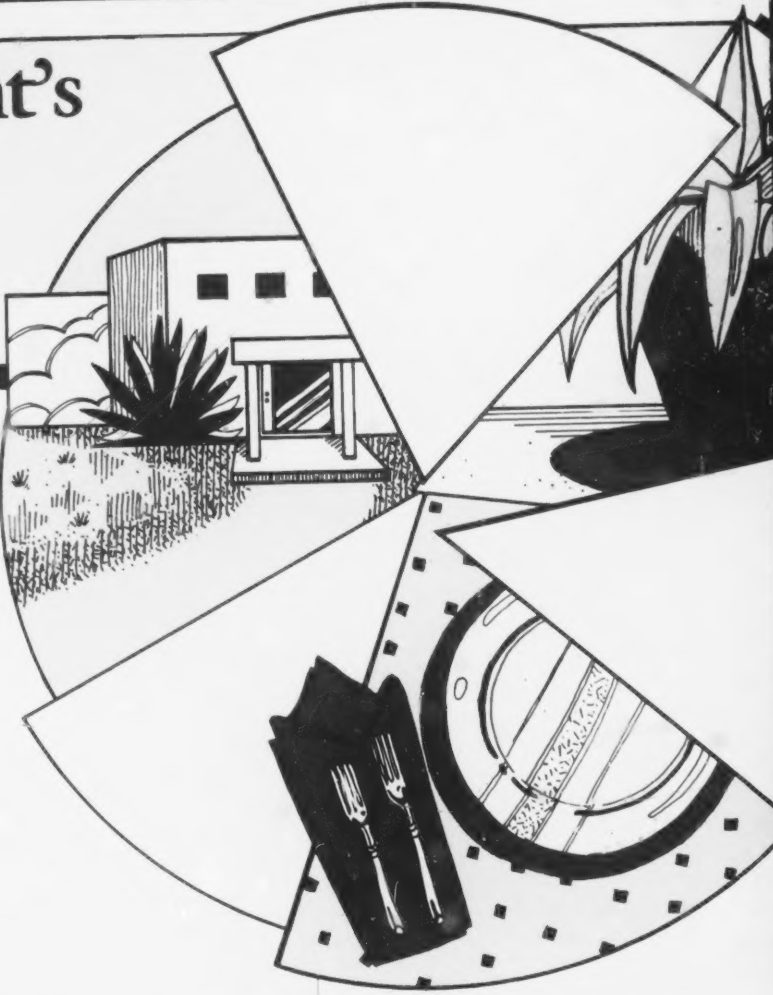
There are hundreds of other things that affect your image—price structure, the age of your employees, the selling techniques that they use, the ease of access into your restaurant, whether you have take out or not.

Once you are confident that your image is exactly what you want, then I would recommend that you do some research to make sure the public likes your image as much as you do. ❑

Your restaurant's image:

more than a sum of its parts

by Kathy Boyle



In the 1950's there were good hamburgers. But good hamburgers were not enough. Hamburgers needed identity and an image that would stick in the customer's mind. To attract the attention of passing motorists, the owner of a drive-in hamburger stand in California built large yellow horseshoe-shaped structures on the side of his building. The rest is history.

From the sign on the facade to the paint on the walls, each detail of a restaurant fits together to create an image. At its best the image—if it is harmonious and consistent—attracts customers and builds a following for your restaurant.

When planning Absolutely Glorious, a nouvelle cuisine restaurant on Route 70 in Cherry Hill, NJ, architect Edwin Bronstein was faced with perhaps the most difficult problem of all. The restaurant he was to plan was preceded by two failures on the same site. The location was along a commercial strip with a large parking lot in front that created an unattractive view for customers.

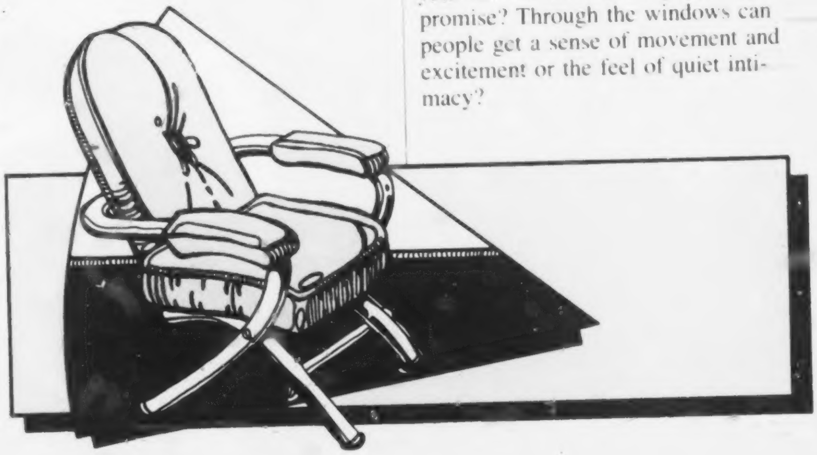
To counter the unattractive view and at the same time create a dramatic new image, an 85-foot surrealistic mural of clouds was painted on the back, outside wall of the restaurant. The whole focus of the building was changed. The soft blue skyline of clouds is visible from the road and very eye catching to both customers and passers-by. Passers-by often do a double-take. This accomplishes what was wanted—recognition of a new and different image.

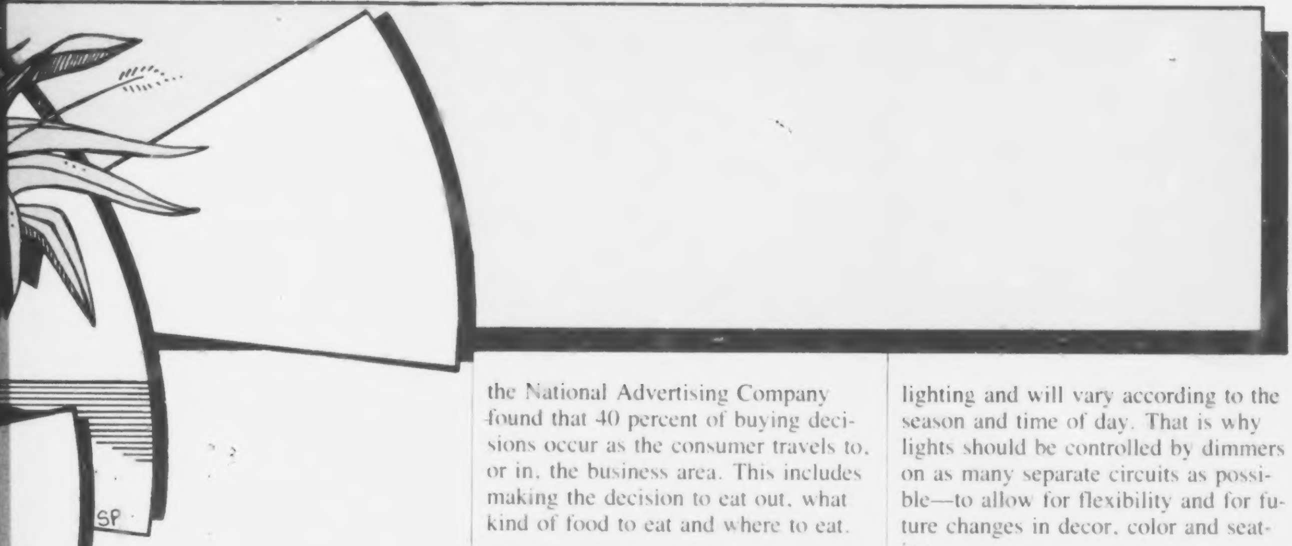
To begin the creative process, Bronstein asked the new owners to bring in "pictures of things they liked to look at, not just other restaurants." Being familiar with the owners, their skill with food, and their other successful restaurants, Bronstein worked to create a place that was specifically theirs. From the logo, colors and materials to the napkins and china Bronstein and the owners worked together to fit all the pieces into a unified whole.

Like Absolutely Glorious, your restaurant must be a cohesive and unique whole. How do you create that special aura? Here is a review of some key elements.

Does the exterior project your promise?. . .

Start with the exterior. Is it immediately recognizable as a restaurant? More specifically, is it recognizable as *your* restaurant? Does it project your promise? Through the windows can people get a sense of movement and excitement or the feel of quiet intimacy?





Skip Downing of Contract Design Unlimited in Seattle, WA, cautions that although the external architecture should be inviting it should not overpower the customer by making him feel insignificant or so build up his expectations that stepping inside will be a comedown.

Does your image pull them off the street?. . .

It's been said that a good logo catches a weary traveller's eye and persuades someone flipping though the newspaper to go to a particular restaurant. A good logo can convey identity, personality and even the type of cuisine.

Creating a good logo is an art. Most restaurants rely on a signature or lettered logo, but a good illustrated logo, like the NBC peacock or the RCA dog, can reinforce your image on a daily basis. A logo should take into consideration the type of restaurant, the type of customer you want to reach and the image, inside and out, you want to project. Logos can translate to menus, napkins, glassware, uniforms, salt and pepper shakers, matches and ashtrays. A truly good logo can give an exterior sign a distinctive look, providing the owner with the cheapest and most cost-effective advertising a restaurant can buy.

Most restaurateurs realize they need an exterior sign, but few understand the contribution it can make to their business. Research done in 1980 by the National Advertising Company found that 40 percent of buying decisions occur as the consumer travels to, or in, the business area. This includes making the decision to eat out, what kind of food to eat and where to eat.

Does your lighting set the proper mood?. . .

Inside the restaurant, lighting sets the mood. Regrettably, many restaurateurs believe they must keep their restaurant "romantically" or dimly lit. The result is often poor illumination, dark corners and, worst of all, customers squinting to read the menu.

Lighting has the power to improve the appearance of the food, soften facial features, control people's moods and determine the length of time patrons spend in a restaurant. A little planning can make a lighting system complement the image you are trying to convey. Some experts favor low lighting with tables highlighted to create a clean, contemporary look. Others suggest the best lighting surrounds customers with light rather than spotlights them.

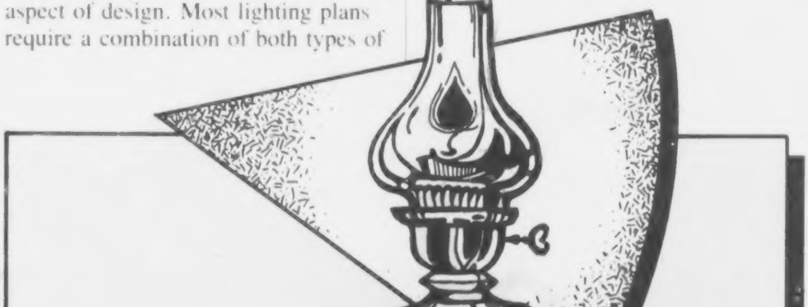
Restaurant lighting falls into two basic categories: (1) functional—lighting to see by and (2) decorative—lighting used in an aesthetic way to create atmosphere or hightlight some aspect of design. Most lighting plans require a combination of both types of lighting and will vary according to the season and time of day. That is why lights should be controlled by dimmers on as many separate circuits as possible—to allow for flexibility and for future changes in decor, color and seating.

One lighting detail, that when overlooked can be very costly, is making sure that the restaurant's lighting and color scheme are compatible. Designer Skip Downing has fluorescent, incandescent and sodium lights installed in his studio to test colors under various lighting choices. He also points out that the new solar grey and bronze energy efficient windows can change mood and lighting requirements and can affect the color scheme.

Regardless of your lighting choice, make sure you consider the cost of maintenance, replacement bulbs and cleaning. All the money in the world invested in creating the perfect atmosphere with lighting might as well be thrown away without proper care and cleaning. Exquisite crystal chandeliers, for example, look cheap unless they are kept sparkling clean.

Do your floors and ceiling enhance your decor?. . .

Ceilings and floors can define



space, set noise levels and enhance your design scheme.

The choice for floors generally comes down to carpet, tile or wood. Each has its own advantage, depending on the overall design. Carpet can insulate a room or act as an accoustical buffer. With planning, it can set off special areas, guide traffic and unite an interior design. By using patterned carpet effectively, for example, a large room can be made to seem more intimate. Some colors and patterns can also mask heavy use areas. Although color can make a specific design statement, there are many practical considerations. Brightly colored carpet, for example, should be located away from direct sunlight as it will bleach noticeably. Also consider the feel of the carpet underfoot. Plusher carpet is less durable but may be appropriate for an intimate lounge where you want customers to linger.

Ceramic tile, one of the oldest building materials available, has recently made a comeback. Extremely durable, it can be used in any part of the restaurant. Criticized in the past for its poor accoustical qualities, it can be combined with other materials or used in combination with carpet to soften its sound. Tile also has the ability to act as a passive solar device by retaining heat for extended periods of time.

Wood is another fast growing flooring choice for restaurants. It can create an image of warmth and lustre. In specifying a wood floor, it is important to choose the right cut and grade. Wood cut directly through the tree trunk, known as end grain, is considered to be the most durable. Also, lower grade woods with irregular grain, knots and worm holes can produce a rustic image and at the same time hide burns and scratches. On the other hand, higher grade wood, free of imperfections, projects a more formal look.

Just as floors are planned to accommodate a restaurant's specific needs, both aesthetically and functionally, a ceiling can enlarge space, enclose space, determine traffic patterns or simply make a strong design statement.

The familiar suspended ceiling can conceal plumbing, air conditioning, sound and lighting systems, yet allows easy access to them if necessary. The most common suspended ceiling of acoustical tile has the advantage of muffling sound, but it tends to lack mood and drama. Other possibilities for suspended ceilings include reflective tiles, tin, wood textures, simulated stained glass, luminous surfaces or fabric.

The alternative to a suspended ceiling is the exposed ceiling. Exposed duct work, for example, can create a strong visual statement, but be careful to make it a part of the overall design plan.

Do you have the right tables, chairs, knives and forks?. . .

Furniture and tableware are part of the restaurant's personality as well. The comfort of the chair, its slant, and where the back hits the customer can all influence table turnover. Skip Downing firmly adheres to the practice of "not buying a chair until we have an actual sample to sit in. A different fabric, alone, can change the feel of a chair by the way it stretches over the seat." This "feel" can add up to dollars and cents if customers linger too long or not long enough—depending on your marketing plan.

Size and spacing of tables and chairs is also important to the restaurant's overall concept and image. For example, you don't want customers to have to squeeze themselves behind a table or to stuff themselves into a chair. This makes them feel overweight, uncomfortable and self-conscious.

Some experts believe the tabletop, the two square feet in front of the customer's eyes, makes the most important statement about the restaurant during the meal. To determine if the tabletops are working for you, you might try watching the table through an entire dining experience. Then ask, are the tabletops designed for your customers and integrated into the total design package? Are the glassware and china a jumble of styles, or are they working well together? Have you coordinated the amount of food you serve to the plate size? A band of color around the edge of the plate can make a large plate look smaller. Is the china and tabletop conducive to the type of food you serve? Some china has too much color, or it doesn't look right

> "Your menu is the single item every customer sees. It is where all the parts of your restaurant come together: the food, the merchandising and the image."

with certain types of food. In the planning process, keep in mind that the plate frames and enhances the food.

Glassware, especially the cocktail glass, wine glass or water glass, often creates the customer's first impression of the meal. Choosing proper glassware conveys the image, theme, decor and personality you want. A balloon wine glass, for example, conveys a generous, inviting image, one that will invite customers to return. The right glass for the right beverage can be as important as mixing the drinks—it can influence perceived value, drink costs and profits.

In a formal restaurant, after investing substantial capital in fine china and glassware, flowers can round out the total effect. A common misconception, however, is that flowers are only for formal restaurants. Floral decor can usually be designed to fit almost any budget. When Mary Fristoe and her partners started the Desert Rose Cafe in Las Cruces, NM, with $500 in their pockets, they used homemade tables and chairs and a lot of beautiful plants. The simplicity fit the theme of the vegetarian menu.

The menu: Where all the parts come together. . .

Your menu is the single item every customer sees. It is where all the parts of your restaurant come together: the food, the merchandising and the image. The menu is your direct communication link with your customer. It is also your salesperson.

Many consultants, designers, printers, advertising agencies and art services specialize in producing menus. But they can't create that special touch without your help. Lack of direction on the menu can be as harmful as lack of direction in the kitchen. Menu designers, for example, won't know you have the best wine cellar in the city, that you grow your own herbs or that you've just paid $5,000 for a gelato ice cream making machine unless you tell them.

Keep track of your ideas. Before you begin an actual menu design collect photographs of menu offerings, recipes, history of entrees and any other material that might be of inspirational value for the artist or writer who will be working on your menu.

Scrutinize your competition, your customers and the capabilities of your kitchen. Test ideas and recipes on your family, friends and employees and eliminate any dish they don't like. Then evaluate costs and determine what really is the best price for each item. Jot down all your thoughts and get ready for the final stages of developing your menu. But remember: Whatever the menu promises, it had better deliver. Customers are rarely forgiving.

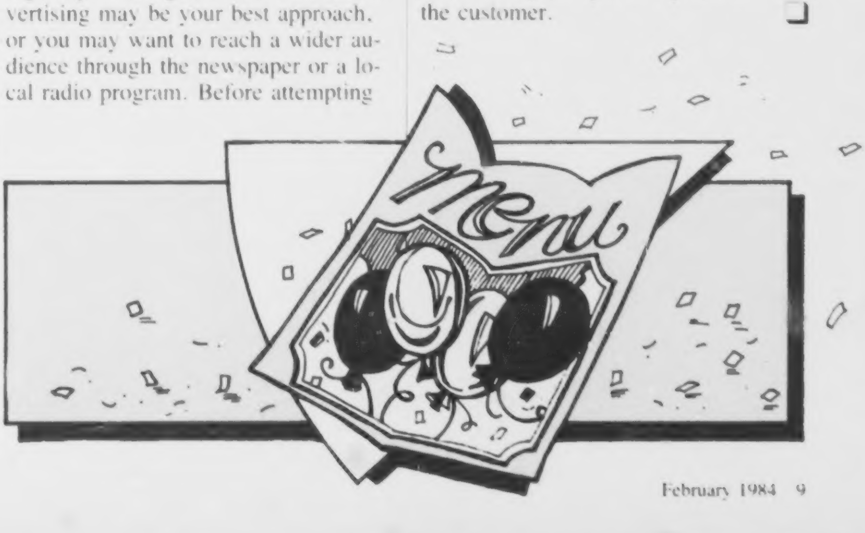
Are you telling the world?. . .

Working all the parts together into a unified whole is worthless if no one knows about your restaurant. Depending on your image, word-of-mouth advertising may be your best approach, or you may want to reach a wider audience through the newspaper or a local radio program. Before attempting to choose the right medium for your image, answer some questions. What is your advertising goal? Are you trying to encourage new business or remind customers to come back or both? Who are your customers? Do they listen to rock or classical radio? Do they read newspapers? Are they vacationers who might pass by the outdoor billboard down the road or look for restaurant ideas before they leave home?

A recent Cornell University advertising study suggests that ads work best when they concentrate on "positioning" or matching your niche with your ad copy and design. Cornell found that consumers absorb a total image from an ad.

Finally, be clear on how much you can spend on advertising and promotions. A rule-of-thumb for most businesses is between three and five percent of sales.

The image you choose to project should be thought through—not a piecemeal approach. An image will work only if it is consistent throughout every part of the operation and coincides with your special "promise" to the customer. ❑



Tablesettings set the stage

by Carol Caprione

When a restaurateur sets up his linen, china, flatware, glasses and centerpiece, he's doing more than just setting his tables. He is setting the mood, the pace and the price expectation for his customers' dining experience.

Your tablesetting is your image, and it is your game plan. Whether consciously or subliminally, it affects your customers expectations and their entire dining experience. A tablesetting cues customers on what type of service to expect and subtly hints at what may be included with the dinner. A bread plate and butter causes a customer to look around for the bread. A salad plate implies salad is included with the meal. A wine glass suggests that the restaurant may be very proud of its wine list.

You should plan a table set up like a director sets the stage. Every item on the table is a prop and should lead a customers to the right conclusions about the meal they are expecting. Is your centerpiece a flower, a pot of fresh herbs or a candle? Are the ashtrays disposable or made of glass? Are napkins cloth or paper?

You should be able to sit at one of your tables and quickly give a reason why everything is there and why it's there in that color and style. You should even be able to explain why certain standard items are not there.

A consistent image is crucial. . .

Most design experts agree that the tabletop must be consistent with the total image of the restaurant. Lola Lehrman, president of Design Unlimited/Culinary Concepts, Hempstead, NY, warns that a restaurateur can easily intimidate a prospective customer who is looking for a casual, fairly inexpensive meal by using a tabletop setting that is too formal for his operation.

A restaurateur should resist the temptation to use an item if it doesn't complement the rest of his tabletop—no matter what the sentimental reason may be. For example, if a grandmother lovingly crocheted the edges of 300 linen napkins for a restaurateur's new restaurant, these napkins should not be used if they clash with the rest of the tabletop decor.

Balancing the beautiful with the practical. . .

According to Dick Shellenberger, vice president of advertising and merchandising at Syracuse China, Syracuse, NY: "There is a general upscaling of expectations among restaurant diners. People are much more critical today than they were five years ago. Quality is very highly regarded."

NRA member Walter Pfeffer, co-owner of the Brass Key in Atlanta, GA, agrees, "I constantly notice people looking at the silverware, noticing the glassware, touching the linen, watching how the napkins are folded. They notice these things because they realize they are paying for them. I would say the tablesetting is worth about 60 percent of the overall image," Pfeffer maintains.

Aesthetics are important, but they are by no means the only consideration when choosing tablesetting equipment. Since tabletop products have to be used many times everyday, durability must be a major consideration. In addition, the federal government requires that all equipment and utensils, including plasticware, must be resistant to denting, buckeling, pitting, chipping and crazing.

Today there is an endless variety of china and other tabletop items available that meets both durability and aesthetic requirements. There also are almost limitless variations possible in displaying these items.

Here are some suggestions from design experts to help sort through the choices.

China: There is a general trend toward lighter, more delicate looks, but some restaurateurs are opting for bright bold colors which frame the food. The pattern of the china can make a vast difference. According to Steve Unger, director of the Design Center at Syracuse China, Syracuse, NY, "It's amazing how the look of relatively heavy, serviceable, durable china can be transformed by a delicate pattern. It's an optical illusion, but it's very effective."

For cleaning and aesthetic purposes Unger recommends glazed china over a mat finish. Mat china wears well; but because of its surface composition, it doesn't rinse soil away easily. Glazed china, on the other hand, fares much better in the dishwasher and looks nice much longer.

Glassware: Glasses are highly susceptible to breakage. Therefore, they should be easy to handle, easy to store and have a sturdy base. If your restaurant serves wine, be sure to have the wine glass on the tabletop before the guest sits down. It can work as a merchandising tool.

Flatware: Flatware has been referred to as the frame of the tablesetting. It should round out rather than dominate the appearance of the china and glassware.

Many restaurateurs have switched from silverplated flatware to a high grade of stainless steel, which is easier to maintain since it doesn't require polishing. Because flatware is a high loss item—it tends to land in the trash or in customer's pockets—restaurateurs have found stainless steel more cost effective.

Table coverings: Table coverings have come a long way since the white linen cloths of yesteryear. Today's tablecloths come in a variety of colors, patterns and materials. Stain resistance and color retention are crucial qualities to look for in tablecloths and napkins.

Some operators simply use placemats, which offer a wide diversity in material and design to protect their tables. Other restaurateurs use no coverings at all, especially those with attractive wood grains or decorative materials like marble.

Napkins: Another tradition in tabletop settings that has fallen by the wayside is that of automatically placing

the napkin on the left. Restaurateurs have discovered that creative folds can enhance their tabletop. Some are creating the illusion of more space on the table by placing the napkin in the center of the plate or in the wine glass.

Centerpiece: Restaurateurs are paying much more attention to their table's centerpiece, since it has come to represent quality and a sense of caring. Many restaurateurs are using fresh flowers or live plants for their centerpieces.

Maintainence is mandatory. . .

No matter how much time, effort and expense is put into a tablesetting, all will be lost if the customer sits down to a bent fork, a spotted glass or a chipped plate. Restaurateurs should regularly check their tabletop items to weed out damaged pieces.

How one NRA member created a signature tabletop. . .

Walter Pfeffer, co-owner of the Brass Key Restaurant, Atlanta, GA, ($30 check average) gave his seven-year-old restaurant a face lift two and one-half years ago. His new tablesetting has won awards.

The colors of the Brass Key Restaurant are gray, maroon and violet, and the tablesetting complements the motif with its white tablecloth and maroon napkin. The tablesetting does not include a dinner plate when guests first sit down. Instead, a napkin is set in a fan fashion in the place where the dinner plate usually rests. When there is a special party, the fan-shaped napkins are put into wine glasses.

The Brass Key Restaurant uses no china. Pfeffer prefers glass plates for salads, soups and main courses. "I use glass because it is uniquely different and people like it," says Pfeffer. "Don't ask me why. Perhaps it's because they get china everywhere else. Also, this glass, known as duraflex, is less costly than china since it breaks and chips less often."

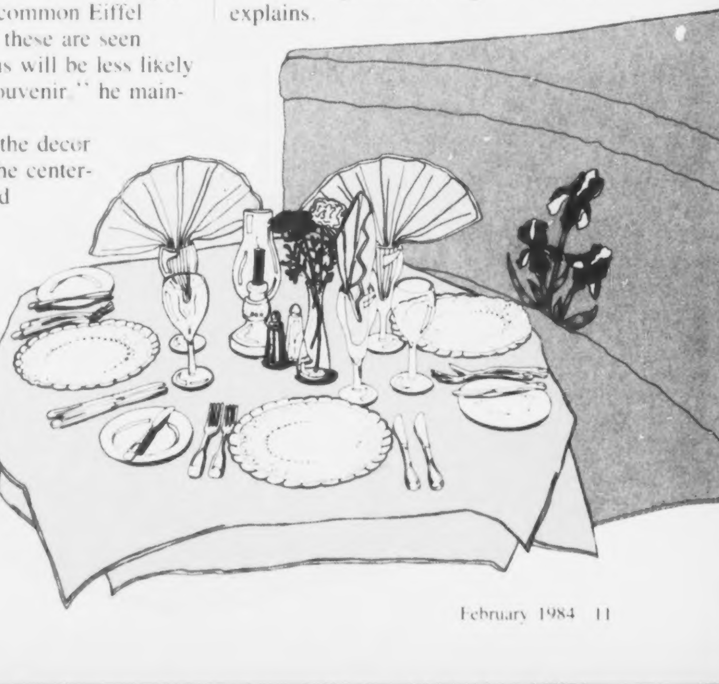
What to do before purchasing tabletop items

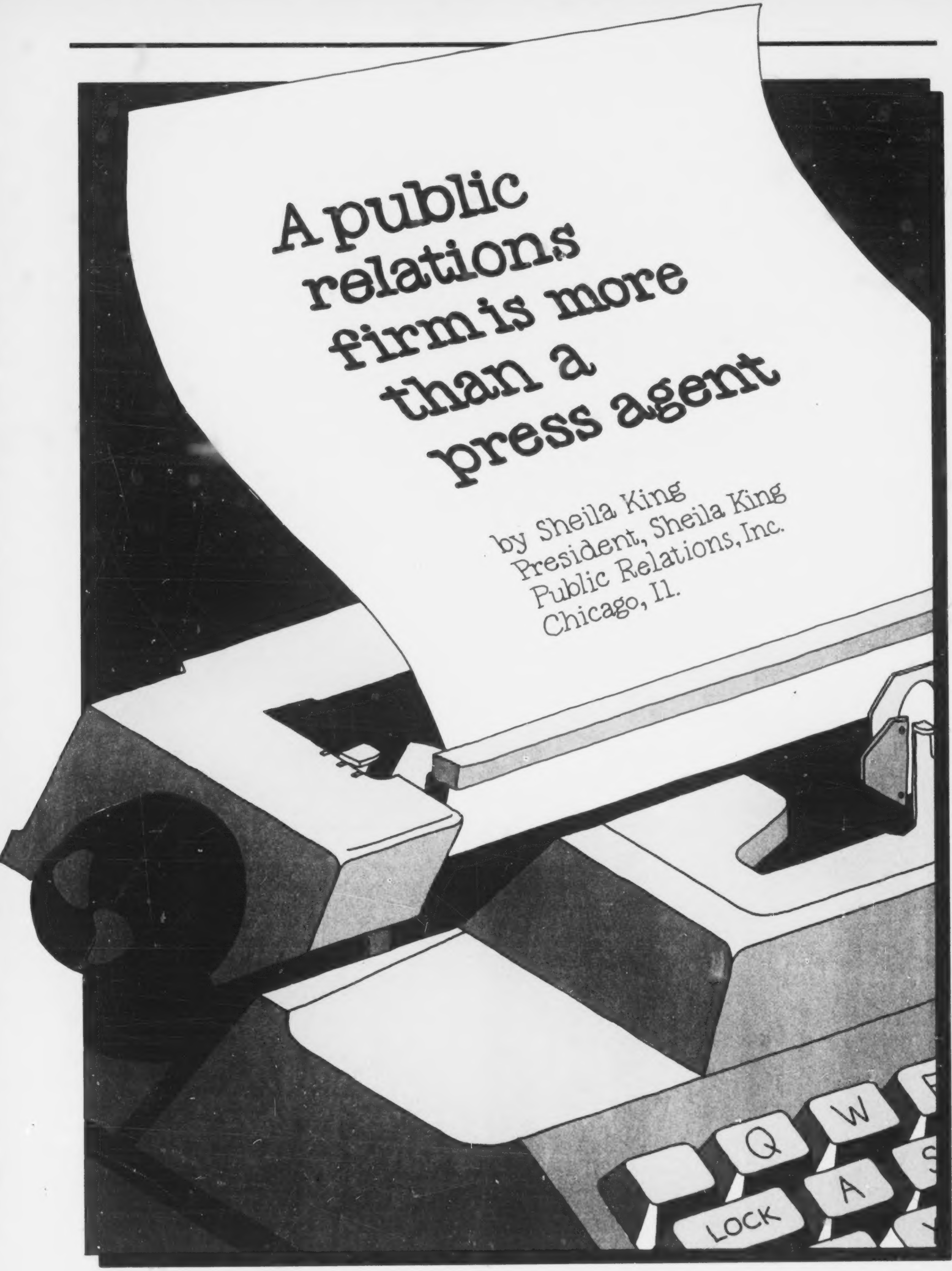
- *Develop a master plan.* Do not order any tabletop item until you draw up a master plan that takes into account every food item on the menu. This plan will tell you what you will need and what you will be doing with it.
- *Do research*: Take full advantage of the materials and advice offered by distributors. A great deal of descriptive literature is available free of charge to restaurateurs. Study these materials carefully. Also read the trade magazines and attend the trade shows.
- *Get samples.* Just as you would try a suit on to see if it fits properly, try out the tabletop items. Before ordering large quantities of china, glassware, flatware and so forth, get samples from the company and see how it looks on your tables and in different light levels.
- *Use reputable industry suppliers.* Choose china that adheres to federal and state health codes. One distributor tells of a restaurateur who had beautiful pottery made for his restaurant. The restaurateur asked the distributor how long he thought the pottery would endure. The distributor answered, "until the first health inspector sees it." No matter how beautiful or costly the china is, if it doesn't meet the health requirements, it can't be used.
- *Get the maximum effective use out of every item you order*: In a very fine dining establishment, a selection of different sized serviceware may be necessary. But in many more moderately priced restaurants, a single plate or glass can have multiple uses. For example, the same size plate can be used for salads, bread and butter, appetizers and desserts. One basic glass can be used for as much as 85 percent of the drinks and can also hold some appetizers and desserts.

—Lola Lehrman
President, Design Unlimited/Culinary Concepts

The flatware is a high grade of stainless steel with a shell on the handle. This was chosen with economy in mind since many pieces are lost in the trash and some become souvenirs for customers. Water glasses include fresh limes. Although Pfeffer believes in being different, he chose salt and pepper shakers in the common Eiffel shape. "I figure if these are seen everywhere, patrons will be less likely to want one as a souvenir," he maintains.

In keeping with the decor of the restaurant, the centerpiece is a china bud vase that holds live roses, carnations and irises. "My theme flower is the iris which appears in tiffany windows, over the door frames, in paintings and woven into the material of the banquettes. Before I remodeled, I used silk flowers. But you can never replace the quality of fresh flowers. Nothing is more elegant," Pfeffer explains.





A public relations firm is more than a press agent

by Sheila King
President, Sheila King
Public Relations, Inc.
Chicago, Il.

Public relations firms are easy to find. There are a number of independent public relations people who operate by themselves or with one assistant. There are a number of mid-sized agencies, such as mine, and there are a number of national agencies that have outlets and offices in many cities.

The most successful matchups occur between restaurants and PR firms that are similar in size and in philosophy. At our firm, we see ourselves as being in long-term partnership with our clients. We've worked for some restaurateurs for as long as 10 years, which is something of a world's record in the restaurant industry.

Many people look to a PR firm for publicity, media coverage and help in developing promotions, gimmicks and direct mail programs. But the primary things that you should look to a PR agency for are advice, guidance and counseling on how your public perceives you.

The job of an outside agency is to try to help you spread out into the community and to determine exactly how you can increase your business. Sales volume can most easily be increased by increase in traffic.

What do we do to stay in that kind of creative relationship? What do restaurateurs look to us for? That's what I'm going to outline here to help you develop guidelines for yourself.

In-house staff develop particulars...

Some of our clients have in-house PR departments or in-house people who are responsible for the particulars of public relations programs that we develop. The in-house person's job becomes one of coordination, making sure that all of the goals that are established are being attended to, checking budgets and making sure that the employees at that operation are aware of the promotion. One of the most terrifying thoughts for a public relations person is to create a fabulous promotion with no employee on the premises knowing what it is about when the customers start coming through the doors.

So, the in-house person functions generally as the eyes and ears of the owner-operator, keeps him informed about what is going on, keeps the employees informed and does that miraculous juggling act of trying to figure out how to satisfy all the different needs and desires of all the different managers within the organization.

The job of a public relations firm is to bring an outsider's point of view. A lot of times, the best news a PR firm can bring to clients is what has gone wrong in their restaurant. It is their job to keep their ears open and to give the owner-operator a full picture of what is going on.

Last June, for example, we started working with a new restaurant called Cynthia's in Chicago. In my experience it is the first restaurant that has opened on time and within budget. We started with a very successful media party. We invited 125 producers from radio and television stations; on-air personalities and food, restaurant and entertainment writers and editors. We asked them to the restaurant for a special dinner. Everyone was impressed. The problem came when the restaurant started getting a Saturday night crowd on Tuesday night. Success almost killed them.

> The primary things you should look to a PR agency for are advice, guidance and counseling on how your public perceives you.

I met with both owners, and we spent two and a half hours talking about setting up management meetings, advising them to meet with their employees on a weekly basis to talk about implementing general plans. We also talked with them about employee training and how to handle reservation problems. At this point, they can fill the restaurant every night with reservations alone. They need a plan for dealing with their walk-in business. They have an outside dining cafe that seats 45 people, but it's of no use during the winter months.

These are all topics not commonly thought of as public relations matters. Of course, we are also doing the standard media coverage activities, getting notices in the paper and getting people in the media to talk and write about what is going on at Cynthia's. But at this point our primary function is more one of management counsel, assisting the owners in opening and operating the kind of restaurant they set out to build. It is a long process, and one that benefits from an outsider's point of view.

The last time we met, Cynthia's owners mentioned that, after the first week or so, they weren't receiving as many compliments on the food, service staff and decor. It may have something to do with the fact that people who have reservations have had to wait an hour and a half for a table. Recently I walked in with a reporter, and a service person who didn't know that I was associated with the restaurant quickly told us that the chef would be confused if there were any requests for changes or substitutions and that the kitchen was a mess. The service person was simply overloaded and unable to cope with what was going on.

These things are communicated to customers and can damage their initial impression of the restaurant. In this case, the owners have implemented a number of programs to set things right again. I'm pleased to report that it is a manageable situation.

What to look for in a PR firm...

There are a lot of specific skills to look for in public relations professionals. We've never found all of these skills in a single person, and that's why we think an agency approach to public relations is most effective.

Skills you should look for in a public relations professional are the ability to do research, ability to conduct surveys informally or formally and ability to determine what is happening or what is not happening in your restaurant among your employees and among your customers.

If you are looking to increase out-of-town business, for example, you might want to find out if all the cab drivers in your city know where your restaurant is located. PR personnel should be able to conduct a survey to determine such facts.

Your PR consultant has the luxury of being one step removed from the day-to-day confusion in a restaurant. We are not under the same pressures that the restaurant operator is under to respond to situations. We don't feel the same kind of immediate pressure to solve problems quickly.

The most important skill to look for in PR personnel is ability to communicate clearly and effectively what it is they are trying to do. You also should look for somebody who has integrity, somebody who is persuasive but not pushy and somebody who is sensitive to what the marketplace is looking for.

These are things that are difficult to measure. Other traits even more difficult to measure in initial interviews are a sense of responsibility, sympathy and commitment; in other words, how far will the agency go to make something work for you.

That's why I suggested that if you are a mid-size restaurant operation, you're probably better off looking for a mid-size public relations agency. If you're a single unit operator, you might be more comfortable looking for a freelance public relations professional or somebody who has a small agency of maybe three or four people so that they can understand the same day-to-day pressures that you as a restaurateur are experiencing.

Public relations is not advertising. . .

A lot of people who are very sophisticated about running their own businesses do not understand the difference between public relations and advertising. The biggest difference between them is that in advertising you have almost total control of the message and its placement and in public relations you survive by your wits.

In a newspaper, the things that are in boxes with pictures and illustrations are the ads. They probably pay the salary of almost everybody who writes all of the other material that surrounds it—the news and the feature stories. The job of PR is to get the free media coverage so we can have the best promotion in the world. It's not always as easy as it sounds. An article on a particular restaurant can be scheduled for weeks in advance, but the story can be dropped in a second because of more pressing news—a hostage situation or a fire.

It's important that a PR person make it clear to you in advance that there are no guarantees when it comes to media coverage. If a PR professional tells you he or she can guarantee you coverage in a newspaper column or the food pages or can get a good review for your restaurant, you should walk away. Either they are not telling you the truth or they are doing things that you do not want to be associated with.

In addition to the management function that I've mentioned, we are involved in direct response programs. The "Lettuce Entertain You" (Chicago, IL) program is an example.

We had a budget for a direct mail program aimed at 200,000 people. We worked with American Express to observe some of the successful and not so successful features of direct response programs in Chicago. One of the things that we decided was essential to the success of our program was that it had to continue to communicate the "Lettuce Entertain You" theme of fun, good taste and value.

> The key is to find a professional who most closely reflects your values and philosophy of service and to find somebody who has a good reputation.

Lettuce Entertain You is the firm which had a "redeem this billboard" program on their tenth anniversary. People did indeed take billboards off the sides of buses and down from eight-foot billboards to redeem them for a free meal.

We decided we needed something that communicated fun but at the same time communicated value. We also had to have something that had a quick turnaround redemption rate—30 days. So we sent a sealed envelope to a mailing list we got from American Express. Inside was a gift certificate for from $5 to $25 off the meal good in any Lettuce Entertain You operation. The key was that customers couldn't open the envelope until they came to the restaurant and finished their meal. They had to open it in front of the waitress.

The cover letter asked, "Why are we keeping you in suspense?" and answered, "because whenever we do something we want it to be as exciting as our food."

The promotion also kidded people about the possibility of cheating. In the sealed envelope was a second piece of paper for the person who opened the envelope at home despite the two or three warnings not to. It said, in effect, "You're really not our kind of person, anyway. Stay home. We don't like cheaters."

This part of the promotion generated media coverage and phone calls from people who explained that their children had opened their mail. American Express got phone calls in Phoenix from people who said, "I don't want them to know that I opened the envelope. Can you send me another one?"

What could have been an ordinary direct mail coupon program turned into something fun.

Get involved in community relations programs. . .

I also think it is very important for restaurateurs to work within their own community. A great majority of customers are within three miles of the restaurant. A restaurateur ought to look to community leaders to find ways to help a community. You can do this in a non-self-serving way. A PR agency can intercede for you and make the initial approaches. A PR agency can help you orchestrate a special event or a fund-raising program on behalf of a community program.

You should look to a PR agency to help you establish and define both your short-term and your long-term goals. A PR person has to be in on what your goals are. If your goal is to increase lunch business during the fall, you need to communicate that goal.

You should look to your PR person to counsel you on actions or policies you take that could affect public relations. If, for example, you are operating in a college town and you decide that you are going to close for the time that students go on vacation, you have very clearly communicated to your customers who are not college students that they are not that important.

It may not occur to you, as an insider, what kind of effect your business decisions can have on community relations. PR people can provide a valuable outside perspective.

PR people should support your marketing program. . .

You should look to PR people to support your marketing program and your direct mail promotions with news releases, with feature articles, with interviews and with radio and television coverage.

You have to be realistic about who you are and what you can do, and you have to be willing to cooperate with the media. You also have to be willing to set aside some of your immediate problems in order to take advantage of an opportunity that may arise in three or four months.

PR people ought to be able to assist you with employee communications. They can help with ideas for payroll stuffers; employee contests or programs and educational programs, such as wine tastings or learning about the nutritional values of foods that are on the menu.

They ought to be able to hook you up with appropriate community groups that will in the long-term help you increase business at your restaurant and enhance your image in the community. Most important, they should help you analyze the effectiveness of the PR program. That full circle in public relations is essential.

This means that you have to share results with the PR person. It's nice to be at the other end of the phone when a client calls us up and says, "We got a 30 percent response rate on this promotion." We start talking about what to do next.

PR people should get privileged information about your business, about your operating expenses. In turn, PR people should tell you up front all of the expenses that they are incurring on your behalf. PR people should meet with you before they present a specific public relations program to learn what you want to accomplish and to determine if you have a budget in mind.

How to begin a relationship with a PR person. . .

By the time you include expenses for all collateral materials, printing, postage and photography, your PR budget may be as high as two or three percent of your gross sales. But a lot of times it is not that costly. It is important to have a business plan and a general understanding of what you want to accomplish before you talk to a PR agency. The initial meeting with a potential PR representative should establish in your mind whether or not you can work together. If you feel confident that the person understands what you are trying to accomplish with your operation and if you feel confident that this person is somebody you can trust and somebody who can respond to your ideas, the PR person should come back to you with a written proposal that summarizes the objectives of your public relations program. They ought to coincide with the goals of your business.

The next thing a PR person ought to identify for you is which people, which markets, they plan to target. If you are looking to attract a young crowd, or a lunch crowd or a five-to-seven dinner crowd Monday through Thursday, the PR person should identify and describe those groups of people. This offers you a second chance to measure whether or not the PR person understands your concerns and your business.

> **If a PR professional tells you he or she can guarantee you coverage in a newspaper column or the food pages or can get a good review for your restaurant, you should walk away.**

The written proposal should also present a list of activities the PR person will undertake and how they will go about it. The proposal should specify how they will go about getting you coverage in the newspapers, how they will go about getting you on nightly news shows, how they will develop cooking demonstrations or how they will develop employee programs or generate a newsletter for you. These things should be spelled out not to the extent that you see everything the PR person or agency is going to do during the next 12 months but rather to give you a sense that they clearly understand their responsibilities with respect to your objectives.

The next thing you should see are one or two examples of detailed action plans. In our office, we work from "to do" lists. The more details that are anticipated, the more problems you can foresee and solve before the promotion is implemented, and the more likely you are to be successful.

We maintain a list for each client and update it twice a month. Items on the list come from client meetings, from staff planning meetings and from opportunities that arise spontaneously.

We give clients a list of items we are undertaking that month and advise them who is responsible for it and when it is due. Every good "to do" list involves the client as well because it is a partnership. The restaurateur has to communicate to his staff that it is their responsibility to respond to certain requests from the PR agency.

Five different ways to bill for PR services. . .

Budget, the most important part of the PR program, is always the most difficult to discuss. There are generally five different ways that PR people bill for their services. The first, and probably the most common, is fixed monthly retainers. I don't like this way of billing, but a lot of reputable PR agencies bill on a monthly retainer. The theory is that in a long-term relationship with a client the budget evens out. Some months you might do a great deal of work and some months you might do less work.

The second way to bill is on a fixed, but small, monthly retainer plus additional billing for staff time. In our business our inventory is our time. That's all we've got. So we have to figure out how to run a profitable business based on how much time people spend working on your account.

The standard rule of thumb in service businesses is that you bill out two and a half times to three times the salary of the person who is working on an account. So if an employee is being paid $20,000 a year to work on an account, the revenue from that account must be $50,000. The excess covers time that is not billable, such as reading newspapers, meeting with people for general information and general office duties.

The third method of billing involves a retainer plus special project additions. You pay a fixed amount of money each month for general services and then pay an additional sum of money for a one-time specialized service. If the PR firm knows how to open a restaurant for lunch, for example, and you have only been serving dinner, you may want to ask them to help you expand your business. They will charge you a lump sum for this service and tell you how much time it will take before you can open at lunch.

The fourth method is straight hours. Many PR firms are now billing strictly on an hourly basis. It is not an open-ended agreement. You agree on a maximum amount of money for services that you will not exceed without approval from the client. This way you get exactly what you pay for.

PR business is seasonal, as are lots of other businesses. Generally, what happens is when your business is the busiest and you are bringing in the most money, you need a PR person the least; and when your business is off, you need a PR person the most. So restaurants need to develop a long-term plan and a long-term relationship with a PR agency so they can use them to plan for times when business is down.

Finally, PR firms may bill simply on a special project basis. This is a nice way to get acquainted with a PR firm to determine whether you can work with them. For example, you can say, "What would you do now that I am opening for Sunday brunch for the first time in the 20 years I've been in business? How would you take that as a project and translate it into a public relations program for me?"

All out-of-pocket expenses for PR people are over and above the service fees. Out-of-pocket expenses include things such as printing, postage and photography. Any entertainment they do on your behalf will be at your restaurant, and you ought to expect to pay for that kind of entertaining.

However, you ought not to expect to pay for a meal every time your PR person walks in the door. You pay that person, and they pay you. You keep the relationship on a professional basis. Just as you wouldn't expect your attorney or your accountant to provide services in return for food and beverages, don't expect PR people to make those kinds of trades. Keep the relationship on a cash basis.

Some PR people mark up out-of-pocket expenses and others do not. One way is no more acceptable than another. It's a matter of how people operate their businesses. If, for example, a PR person handles the billing for a $15,000 printing job, that means that his money for that printing is tied up for about 60 days. What the PR professional might prefer to do—other than mark-up costs—is to ask suppliers to bill his clients directly.

If, on the other hand, a PR person has a series of small instant print jobs that total $60 over the course of the month, he might not mark up these changes, considering them an accommodation or a service to the client. You should ask the PR person in advance what you are paying for.

Expect to pay one month's fee as a deposit. . .

You should expect to pay the PR agency the equivalent of one month's service fee in advance as a deposit. This shows your good faith, and it gives the PR person a budget to work with to get you started on your program.

You'll find that during the first two or three months the PR firm may put in a lot of extra time and effort but not bill you for it because they want to get to know you. A PR firm should be willing to devote time to establishing a long-term relationship with a client. And it's critical that you not say to a PR person, "You've got four weeks to turn this situation around." It simply won't work. It's realistic to agree on an initial three or six-month testing time to determine whether there is a good match.

There are several ways to check on PR people before you make your final selection. The Public Relations Society of America is a professional organization based in New York with chapters in most local cities. People who have been in the PR business for more than five years and who pass a series of written and oral exams can be accredited by the Public Relations Society of America. There also are local publicity clubs.

You should ask a PR person or firm to supply you with a list of clients. Call them to find out what they think of the person or firm. You can check with media people in town about an agency's reputation. Ultimately, though, I think you should rely on your own instincts. This is somebody you are going to be talking to probably every day so it has to be somebody you feel comfortable with and somebody who can respond to you openly and honestly. When working with an agency, ask to meet the people who will be working on your account.

A contract written in plain English is helpful to understand what you are paying for and who is responsible for what. It's a formality, but it gives everyone a common reference point. I think that's important although ultimately you are working on a handshake and on a very important relationship in terms of establishing yourself in the community.

The minuses of working with an outside agency are that they will never know your business as well as you do. The pluses are that they have a broader perspective of what is going on in the industry and in your community. And you have access to a wider range of skills and talents because you are not relying on yourself or one other person to do everything. You're working with an agency that has a corps of people who have different talents. You have a fresh viewpoint. You have people who are not under the same day-to-day pressures that you are. You have access to other resources. Because a PR firm represents other kinds of clients, often clients among themselves will cooperate. A bank, for example, will cooperate with a restaurant in developing a promotion. A retail store will put on fashion shows in a restaurant. These cross promotions give you a lot more attention and exposure for less time and effort than it would take for you or one of your staff to develop a similar program.

The key is to find a professional who most closely reflects your values and philosophy of service and to find somebody who has a good reputation.

Editor's Note

This article has been excerpted from PROMOTIONS—What's Possible, What's Popular and What's Profitable, *the edited manuscript of NRA's Second Annual National Conference on Promotions. Copies of the book are available for $12.50 plus $2 shipping and handling. Payment must accompany all orders. Credit card telephone orders are accepted. Please specify number MG575 when placing your order with the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call (800) 424-5156.*

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What to do before your operation goes union

by Robert W. Hartland, Esq.
Reed, Smith, Shaw & McClay

> ***"There are a number of steps that can be taken to help you recognize the early warning signals of union activity at your restaurant."***

> ***"It is safe to say that if a restaurant is vulnerable to a union attack, it is most vulnerable in the kitchen."***

> ***"Enlightened management will devise mechanisms to solicit employee opinions, complaints and grievances."***

Getting involved with a labor union is much like marriage. It's a lot easier to get into the relationship than to get out of it.

How to prevent union activity. . .

When an employer is confronted with a serious union organizing drive, the most frequent lament is "Why me?" Typically, the cause for union activity in restaurants stems from ineffective management techniques that have created serious dissatisfaction among employees. Here is an overview of some common problems.

1. *Be fair and uniform*

Relatively few union campaigns are instigated by "tough" or "strong" management. Much more frequently, the source of the problem is a weak, ineffectual and disorganized manager who ignores problems at certain times and overreacts to problems at other times. Endemic to such a management style is a lack of uniformity or consistency in personnel matters and the consequent perception of unfairness.

Being uniform with employees does not mean that an employer cannot make distinctions in treatment with varying pay rates, schedules, stations for servers and so forth. Employees have an enormous capacity to accept and understand such distinctions as long as those distinctions are perceived as justified and reasonable. Employees, however, have very little tolerance for "favored treatment," no matter how slight, when they do not believe the favored treatment is merited. A mere nickle an hour difference in pay rates between two line cooks, if unjustified, can constitute a source of lingering aggravation that can lead to serious discontent.

Within the general area of fair and uniform treatment, there are at least three specific issues which seem to plague many operations:

- *fraternization between managers and their subordinates*

Almost immediately such fraternization is known to, and exaggerated by, the entire work force, invariably breeding perceptions of favoritism even where favoritism does not exist. Therefore, a restaurant owner should prepare, publicize and *strictly enforce* a nonfraternization policy between management and staff. For the same reasons, except in the obvious case of family-owned and operated restaurants, the restaurant owner should also implement an anti-nepotism policy.

- *forgetting the importance of the "back of the house"*

It is safe to say that if a restaurant is vulnerable to a union attack, it is usually most vulnerable in the kitchen. Frequently front-end employees are part-time employees working primarily for tips. Often they have no long-term occupational commitment. These employees constitute a relatively difficult group for unions to organize. The kitchen staff, on the other hand, more frequently tend to be full-time employees who are working for an hourly wage, not tips.

Increasingly, union efforts are devoted to obtaining a foothold in the restaurant by going after a limited unit comprising only kitchen employees. If successful in the kitchen, the union can later use this as a springboard for a subsequent effort to organize the entire house.

Pay close attention to conditions and complaints in the kitchen, making sure that the back of the house gets its fair share of scarce labor dollars.

- *uneven disciplinary procedures*

Employees will understand discipline—even severe discipline—imposed on one of their fellow members so long as the discipline is perceived as fair. To be perceived as fair, it is critical that all of the house rules, as well as the penalties for violating the rules, are known to all employees and that the rules and penalties are uniformly enforced.

2. *Don't make promises you can't or won't keep*

Broken promises can be a serious problem. It is infinitely better to promise nothing than to break a promise made to an employee. This is quite straightforward. Do not promise a kitchen bonus for exceeding certain food costs or labor costs standards unless you are prepared to pay that bonus if those standards are met. Implement pay increases when promised. In any union organizing campaign, the fundamental issue presented to employees will be one of credibility.

3. *Communicate with employees and provide a forum for grievances*

A major theme in any traditional union organizing drive is the union's promise that it will act as spokesman to air employee grievances and will obtain a grievance/arbitration provision in the labor agreement. If employees have no forum to express their complaints and no mechanism to obtain some sort of resolution of their complaints, this union promise will be compelling.

Enlightened management will devise mechanisms to solicit employee opinions, complaints and grievances. There are many ways to do this. Take advantage of employee evaluations, job changes, pay increases and so forth to personally interview employees. Promote informal conversations between all managers and employees. They provide a necessary emotional release for employees.

Don't be afraid that you'll hear too much and be unable to resolve everything. You will not have to solve all the problems nor will you be expected to do so. Isolate those complaints that have real substance and try to resolve them. This will pay off in the long run.

4. *Keep an eye on your organized competition*

When a union initiates an organizing drive at a restaurant, it frequently points to wage rates and benefits in effect at union houses in the same geographical area. As an owner or manager of a restaurant, you must make it your business to keep abreast of wage rates, benefits and other working conditions in other restaurants in your area.

To the extent possible, you should not allow your wages and benefits to become too out of line with those of your organized competition. But if you are unable or unwilling to match your organized competition, it is particularly important that you allocate your labor dollars wisely. For example, consider implementing such low-cost benefits as scheduling flexibility, personal days off, company-supported parties or picnics, free birthday dinners for employees and immediate family and so forth. Such fringe benefits produce very significant employee goodwill.

5. *Implement a "no solicitation" rule*

In any organizing campaign unions rely heavily upon paid union organizers plus a cadre of in-house employee supporters to solicit employees' authorization signatures and to otherwise support the union. Obviously, you want to prohibit such conduct at the restaurant to the maximum degree possible. Under law, the only union solicitation by employees that a restaurant employer has to permit is solicitation in *non-customer areas* during *non-working time*. Moreover, a restaurant owner has a right to prohibit all non-employee solicitation in the restaurant.

To be lawful, a no-solicitation rule should be promulgated *prior* to a union organizing drive. If you attempt to promulgate such a rule after a drive begins, it may be found invalid (even if properly worded) because its adoption will be construed to counter union organizing. Your written no-solicitation rule can be worded as follows:

> "Solicitation and/or distribution by non-employees in these premises is prohibited. Solicitation by an employee of another employee is absolutely prohibited in customer areas at any time. Furthermore, in non-customer areas, solicitation by an employee of another employee is prohibited while either the person doing the soliciting or the person being solicited is on working time."

Post this rule in appropriate places in the restaurant, such as employee bulletin boards and the office. To be valid you will have to uniformly enforce this rule. That is, you cannot permit widespread beneficent solicitations and then prohibit union solicitation.

6. *Maintain security of employee lists*

Employers often ignore, or take for granted, certain critical advantages they have over any union attempting to organize a work force. The employer has ready access to the employees at work and has their home addresses and telephone numbers. Do not squander his advantage. The number of organizing drives assisted by employee lists pilfered by union supporters is astounding. Keep such lists secure at all times.

"Employers often ignore, or take for granted, certain critical advantages they have over any union attempting to organize a work force."

Early warning signs. . .

In most union organizing drives timing is everything. Your objective as an employer, of course, is to learn of any union organizing activities as soon as possible. This is not always easy because unions like to conduct as much of their organizing activities as possible—and make as much progress as possible—before surfacing their interest. They realize that once their efforts are uncovered, they may face an aggressive employer countercampaign. Consequently, they will operate—at the outset—surreptitiously.

There are a number of steps which can be taken to help you recognize the early warning signals of union activity at your restaurant. The number of labor unions interested in foodservice industry representation in any given area will be few. Through your activities in your local restaurant association, chamber of commerce and contacts with other restaurateurs, you should determine what unions are active in restaurants in your area. In addition, in most cases the number of paid union restaurant organizers in any given area are few. Find out who they are and what they look like. Obviously, your management team should be alert to their appearance.

Instruct managers to be alert to signs of union interest. The repeated presence of ex-employees, especially if they are employed at a union house, is one sign.

There are many other early warning signals that a union organizing drive is starting. Examples include an increase in employee complaints, employees engaging in secretive conversations that terminate when supervisors approach, employees presenting group complaints or complaints via a representative, employee comments regarding unions and threats by disciplined employees.

Pay close attention to any changes in the substance of employee conversations away from social, personal and non-work matters and toward increased concern over working conditions. Be alert to any changes in vocabulary, such as the use of words like "seniority," "grievance," "severance pay," "representation" and so forth. Pay attention to any unusual meetings between employees from different departments. Finally, of course, if you see union graffiti, union authorization cards, handbills or petitions, the problem has progressed beyond the early stages—activity is well underway.

A union campaign is underway. . .

At this point, the employer's objective is quite simple. The employer must take the offensive. Management should do everything legally possible to defeat the union's efforts to obtain signed authorization cards.

The immediate goal of the union is to obtain a "showing of interest" sufficient to obtain an election conducted by the National Labor Relations Board (NLRB). The union must prove that at least 30 percent of the employees in a unit of employees want the union to represent them for collective bargaining purposes. To do this, the union will attempt to have employees sign authorization cards that usually designate the union as the employees' bargaining representative. While the law requires only a 30 percent "showing of interest," as a practical matter a union ordinarily will not proceed unless it obtains signed authorization cards from at least a majority (and usually 60 to 70 percent) of the employees in the unit sought.

The most important steps to counter a full-scale organizing drive include:

1. Mobilize your management staff

The employer's first act should be to call a meeting of the entire management team of the restaurant. The message must be made clear, from the start, that the employer's position is strong and unambiguous—that management does not believe it is in the best interests of the company or the employees to have a union in the restaurant and that management opposes this effort to unionize the work force. In short, all on the management team must be told that they will be expected to aggressively implement this decision.

"Under law, the only union solicitation by employees that a restaurant employer has to permit is solicitation in non-customer areas during non-working time."

2. Gather data

Simultaneously with the mobilization of the management staff, the restaurant owner should immediately begin gathering important information about the union. This information will include

- *financial data*

You will want to be in a position to tell your employees about the costs of being a member of the union. You will want them to know about the union's dues, initiation fees and assessments. You may also want to tell the employees about how the union spends its money (for example, how much money in salaries and benefits goes to officers and organizers.

Unions are required to submit reports to the United States Department of Labor (DOL) which contain this information and much more. The reports are called "Form LM-1" ("Labor Organization Information Report") and "Form LM-2" ("Labor Organization Annual Report"). You will want to obtain copies of these reports for both the local union and the local's international organization from DOL's Labor-Management Standards Enforcement office in your area. If for any reason the area office does not have copies, you can obtain copies by contacting the U.S. Department of Labor, Office of Labor Management Standards Enforcement, Public Disclosure Room, Room 5616 North, 200 Constitution Ave., N.W., Washington, DC 20216.

- *constitution and by-laws*

You will no doubt want your employees to understand that joining a labor union carries with it many obligations beyond financial ones. The constitution and by-laws of a union are ideal sources of information regarding those obligations. These documents typically contain provisions dealing with such matters as how labor contracts are formed (i.e., who gets to vote); strike authorizations; picket duty obligations; obligations regarding honoring other unions' picket lines; meeting requirements and provisions regarding "trials," fines, expulsion of union members and other forms of union discipline. You can obtain copies of the union's constitution and by-laws from the same DOL offices.

- *the strike history*

Strikes are a fact of life. As proof that strikes do occur and that the union in question has a history of strike activity, you will want to be able to tell your employees of the number of strikes called by the union.

There are a number of private organizations which, for a fee, will provide you with a complete strike history of any labor union for the previous year, including the name of the restaurant struck, the number of employees on the street due to the strike and the duration of the strike. One such source for this information is the Bureau of National Affairs at 1231 25th St., N.W., Washington, DC 20037.

- *area labor agreements*

The union organizers will be promising extravagant wage rate increases, elaborate fringe benefits and the like if the union achieves representative status.

In order to devise the best technique for dealing with union promises of wage and benefit increases, you need to obtain as much information as possible regarding the actual terms and conditions in labor agreements negotiated by the union in question.

Obtain copies of as many such labor agreements as you can and commence a comparative review of terms and conditions in your restaurant with those in effect in union houses in the area.

- *union corruption*

You will want to inform your employees of any instances of corruption within the union, criminal convictions of union leaders, connections with organized crime figures and the like. There are many sources for such information. Monitor newspapers and magazines for articles. Check with other restaurants in the area that have recently experienced a union organizing drive; they may have accumulated such data. Beyond this, labor relations counsel should also have, or have access to, such materials. Gather the materials and assess them for their potential effect on your work force.

3. Get your position out

Presumably, you have by now mobilized your management staff, you have begun to accumulate valuable information about the union in question and you, hopefully, have a fairly good idea what issue or issues will be of greatest interest, or most persuasive, to your employees. The task now is to speak out *forcefully*. As noted earlier, this is not the time to be timid or reluctant. If you want to remain nonunion, it is essential that management's arguments and opinions get expressed.

Much has been written regarding the do's and don'ts applicable to employer conduct during union election campaigns. As a general proposition, an employer can be quite forceful in the presentation of his views provided he does not threaten employees, promise them benefits, interrogate employees or place employees under surveillance in the exercise of their right to engage in union activities.

When the union representative arrives. . .

If you missed the early warning signals and were unable to mount a sufficiently swift and cogent early counter-campaign, you are going to hear from an official union representative. The union representative should only talk with the owner or general manager.

The union representative will claim that the union represents a majority of the employees and will request that you recognize the union as the exclusive bargaining representative for your employees. The representative may urge you not to put up a fight so that you get a more favorable contract.

Do not weaken. Remember, once the union is in your restaurant it will be extremely difficult to get rid of it. A "cheap" initial contract, even if realized, is no guarantee of future arrangements. The only thing certain is that, once the union gets in, you no longer will be operating the restaurant on your own. From that point forward, you will have a "partner," often antagonistic in nature.

The union representative may offer to prove his claim of majority authorization by showing the authorization cards to the employer and allowing the employer to verify the employees' signatures (card check).

Do not accept or review these cards. You are permitted to lawfully decline to recognize and bargain with a labor organization upon receiving a claim for recognition and need not give any reason for your refusal. If you accept and review these cards and discern that an apparent majority of your employees in the unit sought by the union have signed cards, you may be held to have accepted cards as the method for determining bargaining support and you may be bound by the results of this card check.

For the same reasons, management should *not* engage in any independent polling to determine employee sentiment regarding the union.

Once the employer rejects the union's request for recognition, the union is required (if it has not already done so) to initiate the formal NLRB election procedure by filing a petition with the regional office of the NLRB. In that petition, the union is required to describe the "unit" of employees which the union seeks to represent and the approximate number of employees in that unit. In addition, the union must present a "showing of interest" (through signed authorization cards) to prove that at least 30 percent of the employees in the unit described in the petition want the union to represent them for collective bargaining purposes.

After the union files its petition with the NLRB, the restaurant will receive a copy of the filed petition, a request for certain data and copies of notices, which the NLRB will request be posted in the restaurant. Shortly thereafter, an NLRB agent will contact the employer to determine whether the parties are willing to enter into one or another type of election agreement. The restaurant employer should take no action on any of these matters without legal counsel.

Frequently the parties are unwilling to agree to a consent election and the NLRB will schedule a representation hearing.

Typically, the most important issues dealt with at this hearing involve 1) whether the unit sought by the union is an appropriate one and 2) which employees, if any, are to be excluded from the bargaining unit by virtue of specific exclusionary provisions of the National Labor Relations Act or by decisional law developed under the Act (i.e., supervisors). It is usually in the best interests of the restaurant to attempt to obtain as broad a unit as possible. This forces the union to obtain very broad support in order to win the election.

Several weeks usually elapse between the hearing and the decision of the NLRB regional director. The decision will cover such matters as the scope of the appropriate unit. Shortly thereafter an NLRB agent will contact the parties to establish a date, time and place for the election. The election is usually scheduled to take place on the restaurant premises three to four weeks from the date of the decision. Within seven days after the regional director's decision directing an election, the employer must file three copies of a list containing the names and addresses of all employees in the bargaining unit with the NLRB regional director. The regional director then sends one copy of this list to the union.

Generally it is from this point until the date of the election that the union engages in its most aggressive campaign efforts. The restaurant will want to wage its own counter-campaign. Many decisions will have to be made, such as who will address the employees, what type of communications will be employed (i.e., literature to the homes, bulletin board postings, handouts, large meetings, small group meetings and so forth.) Many decisions will have to be made on a day-to-day basis. No two election campaigns are alike. With the aid of labor counsel, the restaurant should structure its campaign to fit its own work force, issues, management style, personalities and union activity.

Editors note:

This article is based on a book on restaurant labor law written by Mr. Hartland. NRA expects to publish this book within the year.

The opinions expressed in the article are those of the author and do not necessarily reflect NRA views.

Are customers getting the service they expect?

This article compares results from a recent Gallup survey on customer satisfaction with specific aspects of service to customer service expectations examined in the 1983 NRA study *Consumer Expectations With Regard to Dining Away From Home.*

From the minute they walk through your door customers expect service. Are they getting what they expect? For most customers the answer is yes, according to results from the September 1983 survey of the *Gallup Monthly Monitor of Eating Away from Home*.* Respondents were given a list of seven different elements of service. They were asked if each element described the service they had received at a certain meal. These seven aspects of service were

- hospitable and friendly service
- being greeted with a smile
- attentive service before, during and after meal
- food served in a timely manner
- service staff that was knowledgeable about the menu
- service staff that was knowledgeable about how menu items were prepared and
- items served as ordered.

Majority received the listed types of service. . .

Restaurateurs should be pleased to know that the majority of consumers indicated they had received the listed types of service when dining out. "Items served as ordered" was named by the greatest percentage of consumers—92 percent. "Hospitable and friendly service" captured the number two spot, with 91 percent of the respondents saying they had experienced this type of service. Almost nine out of 10 respondents said their "food was served in a timely manner." Large majorities also indicated they were "greeted with a smile" (84 percent), the "service staff was knowledgeable about the menu" (83 percent) and "the service staff was attentive before, during and after meal" (75 percent). The least often named, "service staff was knowledgeable about how menu items were prepared," was still listed by a sizable majority of consumers—66 percent.

Comparing consumer studies. . .

It is interesting to compare these results with information from the NRA study, *Consumer Expectations With Regard to Dining Away From Home*, published last fall. This study examines the aspects of service consumers expect when they dine away from home. Although the service elements in the two surveys are not exactly the same, some general comparisons can be made.

For instance, in the consumer expectation study, "food cooked to order" and "food garnished to order" were expected by 85 percent and 72 percent of the respondents, respectively. By comparison "items served as ordered" captured the top position in the Gallup study, with nine out of 10 respondents saying this occurred at their last restaurant meal. The Gallup survey indicates that restaurateurs are gener-

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*The *Gallup Monthly Monitor of Eating Away from Home* is conducted monthly and tracks trends in eating out behavior for the U.S. population. Telephone interviews are conducted with approximately 1,000 adults 18 years of age and older. Respondents are asked to report on all meals eaten on the previous day at a restaurant, fast food establishment or any other place where food was purchased, such as a work or school lunchroom or cafeteria. Specifically, individuals are asked to report which meal occasion they ate out, the type of restaurant visited and which day of the week the visit occurred. The interviewing for NRA's service question took place between September 9 and September 23, 1983.

ally surpassing their customers' expectations in this area of service.

"Being greeted with a smile" also surpassed expectations. About 80 percent of the patrons said they expected this greeting, and 84 percent of the Gallup survey respondents said they were greeted with a smile at their last restaurant visit.

"Quick food delivery" is another major expectation of most restaurant patrons. Three fourths of the patrons said they expect quick food delivery when dining out. By comparison, almost nine in 10 consumers said they received their "food in a timely manner" in the Gallup survey. This suggests that restaurateurs are doing a good job of satisfying their patrons in this area.

Approximately seven out of 10 patrons said they expect to be asked if they "need anything" or if "everything is alright." Although 75 percent of the respondents in the Gallup poll said they received "attentive service before, during and after the meal," this is a relatively low ranking compared with most of the other services included in the Gallup study. Restaurateurs may want to focus on training their staff to express more interest and concern to customers.

Atmosphere restaurants: tops in positive ratings...

Of the three restaurant types—atmosphere, family and fast food—consumers feel they receive the best overall service at adult-oriented (atmosphere) restaurants. Similarly, patrons have the highest expectations regarding the service at these restaurants.

A substantial 98 percent of the respondents indicated they were served their meal as ordered and that the service was hospitable and friendly. Ninety-six percent indicated the staff was attentive before, during and after the meal at adult-oriented establishments. This contrasts with significantly lower proportions at other types of restaurants. Similarly, 91 percent said the staff was knowledgeable about the menu at upscale restaurants versus a lower response for other restaurants.

NRA's comparisons with the expectation study reveal that operators of atmosphere restaurants are doing a good job of meeting their patrons' expectations. When dining at atmosphere restaurants, 97 percent very much expect or expect food to be cooked the way it was ordered, and nearly nine out of 10 want attention from the service staff during the meal. Ninety eight percent agree that the staff should be knowledgeable about the menu and how food is prepared.

Family restaurants received the second highest service ratings among restaurant types. The most positive ratings were given to "items served as ordered" (96 percent) and "hospitable and friendly service" (95 percent). These were followed by attentive service (85 percent).

Family restaurant patrons tend to expect more in the way of service than do fast food patrons but less than upscale patrons, as revealed in NRA's expectation study. Nearly nine out of 10 respondents reported they expect food to be cooked the way it was ordered, to be greeted with a smile and to receive attentive service. A comparison of the two surveys indicates that although family restaurant operators are in general meeting their customers' expectations, they could improve their staff's attentiveness to consumer needs.

Both the Gallup survey and NRA's expectation study show that patron service experience and expectations at fast food places are generally below those for other restaurants. It is understandable that customers would be less likely to receive and expect attention from the service staff during the meal and to ask questions about the menu because of the nature of the service (counter, self-service) at such places. But fast food customers do want friendly and speedy service. Eighty-eight percent of the Gallup poll respondents indicated their food was served in a timely manner and that they received friendly service at their most recent fast food meal. These figures are in line with patron expectations: 84.1 percent for quick food delivery and 72.0 percent for being greeted with a smile.

Dinner service chalks up best marks...

Consumers gave the service they received at dinner higher marks than the other meal periods, and their service expectations are highest for this meal period. One reason for this rating could be that patrons usually allow more time for eating dinner away from home. Another reason could be that restaurateurs emphasize more service during the dinner period because customers are in less of a hurry.

"Hospitable and friendly service" during the dinner meal received the highest ratings. More diners—94 percent—gave positive ratings to this service element. "Items served as ordered" received the second highest rating, with 92 percent of the respondents indicating they received this element of service. "Food served in a timely manner," "being greeted with a smile" and "staff knowledgeable about the menu" were given positive ratings by nine out of 10 patrons.

Generally, the mid-day meal received more positive service votes than the breakfast period. During the lunch period, "items served as ordered" received the top marks, with almost 91 percent of the respondents indicating they received this service component. Almost nine in 10 consumers said they received hospitable and friendly service.

Timely service can often be a prime consideration at lunch since many people have a limited time period allotted for their lunch break. According to the poll, 89 percent of the patrons said their food was served in a timely manner, which speaks well for restaurateurs concerned with capturing more of the lunch traffic. Considerably fewer patrons—60 percent—said they found waiters and waitresses that were knowledgeable about how menu items were prepared during the mid-day meal. This may be due to fewer menu questions being asked of the service staff, but it could indicate that staff needs more training during this meal period.

Overall, breakfast received the lowest positive responses of the three meal periods. The reason for this could be that consumers have the least amount of time for this meal period. Even though 85 percent of the respondents indicated their food was served in a timely manner, this was significantly less than the overall responses for the other meal periods. A comparatively small percentage of respondents—69 percent—said the staff was attentive before, during and after the meal during breakfast—a much lower response rate than received by the other meal periods. Restaurant operators may want to speed up service during the morning meal and train staff to be more attentive to increase their breakfast traffic.

Consumer ratings of service elements received during meal periods

Service received	Total	Breakfast	Lunch	Dinner
Items served as ordered	91.7%	90.5%	90.9%	92.5%
Hospitable and friendly service	91.0	87.8	89.4	93.9
Food served in a timely manner	89.4	85.1	89.0	91.1
Being greeted with a smile	83.9	77.0	80.2	90.1
Service staff was knowledgeable about the menu	83.4	79.7	79.8	89.2
Attentive service before, during and after meal	75.4	68.9	70.3	84.0
Service staff was knowledgeable about how menu items were prepared	66.4	66.2	60.5	72.3

Source: *Gallup Monthly Monitor of Eating Away from Home*, NRA proprietary question, September 1983.

Consumer expectations with regard to restaurant service*

Expectation	All restaurants	Fast food restaurants	Family restaurants	Atmosphere restaurants
Food cooked the way you asked for it	84.6%	71.4%	88.6%	97.1%
Food garnished the way you asked for it	71.6	61.4	70.2	85.8
Being greeted with a smile	80.5	72.0	81.9	90.0
Food delivered quickly	74.3	84.1	74.1	62.0
Asked if anything else was wanted	71.4	54.9	77.3	86.3
Asked if meal was all right	65.7	43.7	72.0	87.0
No wait to be seated or served	63.4	66.4	61.8	61.1
Told when order will be ready	58.1	59.0	54.5	60.6

*Based on percent of respondents who expect or very much expect the attribute

Source: Based on results of a National Restaurant Association telephone survey of 1,000 adults in August, 1982.

Older consumers are most positive. . .

According to the Gallup poll, older consumers gave the highest ratings to the service elements. Overall, the 50 to 64-year-old group was most positive, followed by the 65-year-old and over category.

Unlike the other age groups, 50 to 64-year-old consumers gave "food served in a timely manner" the top ranking, with 99 percent of the people from this category indicating they had received this aspect of restaurant service—a significantly higher response rate than given by the other age segments. The next component most often received by this age group was "hospitable and friendly service"—98 percent said they were offered this essential service element. Approximately 95 percent of this segment said they were greeted with a smile and that their food was served as ordered. These responses are substantially more positive than those given by other age groups.

Consumers in the 65-year-old and over segment were most positive about receiving their food as ordered. More than 94 percent said they were served their meal the way they ordered it. Although "staff knowledgeable about how the menu items were prepared" received the least number of positive responses in all the age categories, 65-year-old and over consumers gave this service a comparatively high rating. More than three-fourths of this age group said they had received this aspect of service—the largest percentage among all age categories.

On average, the 35 to 49-year-old group was the next most positive segment. This category gave highest marks to "hospitable and friendly service," with 94 percent indicating they were provided with this service ingredient. "Items served as ordered" received almost 93 percent positive responses, and "food served in a timely manner" was reported by nine out of 10 respondents.

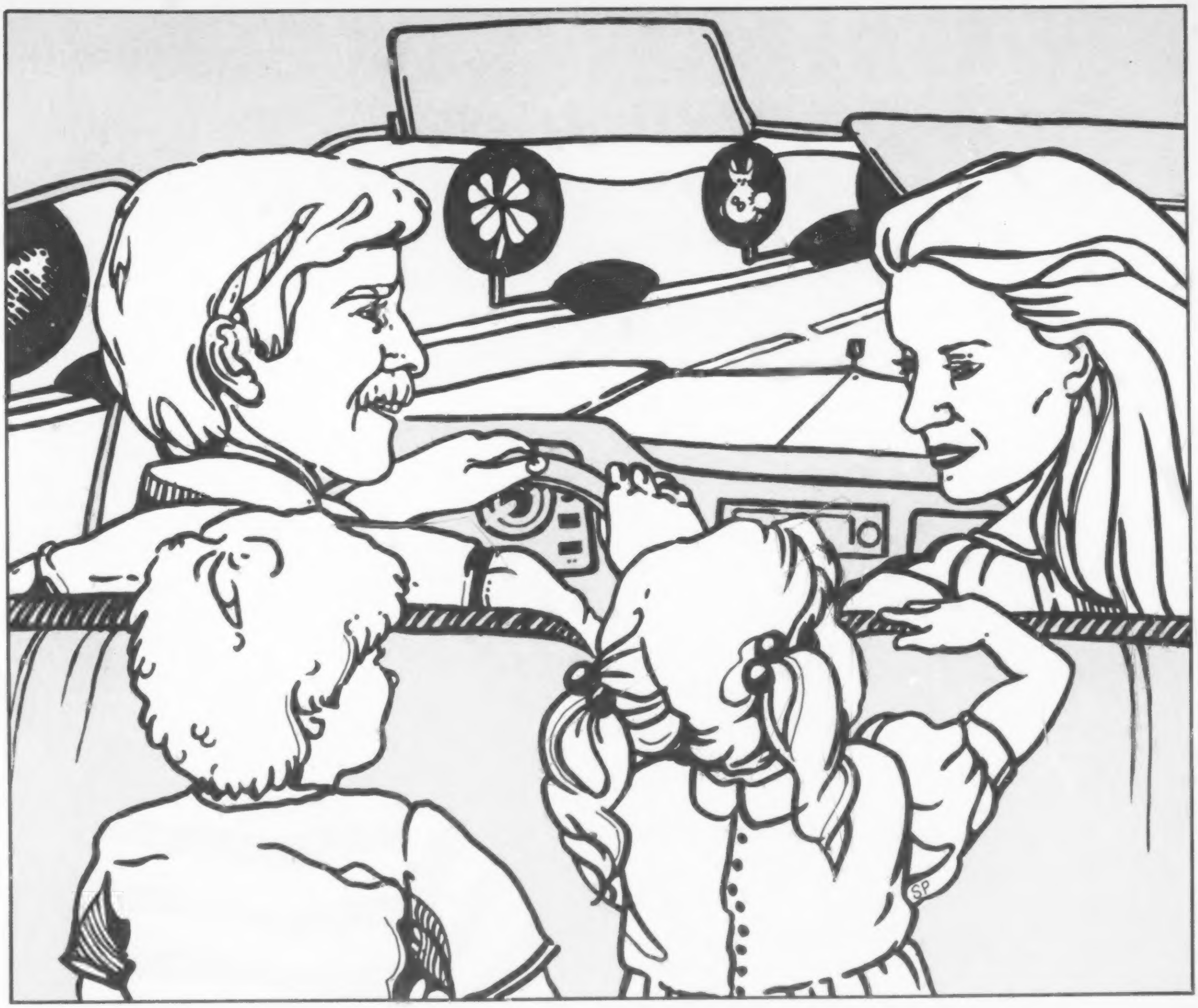
In general, younger consumers between 18 and 34 years old were least enthusiastic about the service they received at restaurants. While a large majority of these patrons indicated they were provided with the listed service elements, their responses were substantially less positive than the other age groups. For instance, 88 percent of the 25 to 34 year olds said they received their meal as ordered—significantly lower than 95 percent posted by the 50 to 64-year-old segment and the almost 92 percent for the 18 to 24-year-old group.

The 25 to 34-year-old group gave particularly low ratings to attentive service "before, during and after the meal." Only 66 percent said they received this type of attention, versus a more substantial 90 percent for 50 to 64-year-olds.

This data suggests that younger consumers feel they are not receiving optimum service when dining out. This may be due in part to the differences in the types of restaurants visited as well as to different perceptions of exactly what restaurant service is. Restaurateurs at all types of restaurants should train their staffs to provide every customer with overall good service, no matter what his or her age. This ensures customer satisfaction.

Good service—a broad challenge. . .

Providing good service is a broad challenge for restaurateurs because it involves coordinating many different elements. An effective training program—particularly to increase menu knowledge and food preparation savvy—will help the wait staff give customers the personalized attention they want and expect.



A look at the market potential of holidays

Americans celebrate holidays with gusto, enjoying special touches that range from fireworks to green beer. To many people, dining out is a natural way to mark a special occasion. Consequently, holidays offer restaurateurs the opportunity to boost sales and traffic on these special days.

Not all holidays have the same market potential, however. To give restaurant operators an idea of the market potential of some of the various holidays, NRA commissioned NPD Research, Inc., to study 15 different holidays. The information is based on eating out data from the CREST Diary Panel for the years September 1976 through August 1983.*

This article summarizes some of the general findings and focuses on the most recent CREST year information gathered between September 1982 and August 1983. Four spring holidays—Valentine's Day, St. Patrick's Day, Easter and Secretaries Day—will be highlighted. The remaining holidays will be featured in future issues of the *NRA NEWS*.

Mother's Day—most popular holiday for dining out. . .

Americans seem to love showing how much they appreciate their mothers. In 1983 almost three out of 10 American families reported dining out on Mother's Day—the top percentage recorded among the 15 listed holidays. More than 40 percent of those occasions included children, which indicates Mother's Day is usually celebrated as a family event. St. Patrick's Day (1983) and New Year's Eve (1982) were the next most popular holidays, with almost one in four families reporting they ate away from home on these holidays.

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*Readers should note that the CREST information included here is based only on data for families, it does not include singles. The proportion of families eating out on the holiday means that one or any combination of family members ate out, and does not necessarily mean that the family ate out as a group. Also, the information is for all meal and snack occasions on the particular holiday. It does not necessarily mean that the family member(s) ate out for the main meal or ate out specifically to celebrate the holiday. In addition, the day of the week on which a specific holiday falls may influence the results.

Christmas and Thanksgiving recorded the lowest number of people dining out—3.7 percent and 8.0 percent, respectively. This is a reflection of the large majority of families who stay home to celebrate these traditional family holidays.

Highest average check reported for Christmas Day...

Although Christmas is not the busiest day at restaurants, people who do dine out apparently treat themselves to a nice meal. The average check per person on Christmas Day was $5.60 in 1982— substantially higher than the average check size reported for other holidays. New Year's Eve also posted a comparatively high per person check—$4.12.

The smallest average per person checks were reported for Memorial Day—$2.54—and Labor Day—$2.40. This could be because many people traditionally celebrate these holidays with picnics and barbecues and do not generally eat large meals in restaurants.

Most coupons used on Valentine's Day...

In 1983 a substantial 23.5 percent of all eating occasions on Valentine's Day involved a consumer perceived deal or coupon—the highest reported percentage among all the holidays. The lowest percentage of deals was recorded on Grandparents Day—8.4 percent. A small proportion of people using deals—9.0 percent—was also reported for Easter.

Most adult-only parties on Valentine's Day and St. Patrick's Day...

More than eight out of 10 families eating out on Valentine's Day were members of adult-only parties. Similarly, approximately 78 percent of the respondents dining out on St. Patrick's Day were not eating with children. This is a reflection of the type of celebrations these holidays involve. Valentine's Day is usually a special day between two people, and St. Patrick's Day is generally celebrated by groups of adults. Not surprisingly, most families eating out on New Year's Eve and Secretaries Day were also dining without children. Interestingly, more than three quarters of the respondents dining out on Thanksgiving were also members of adult-only parties. This suggests that families with children generally eat at home on this traditional family day.

Adults were most likely to include children when eating out on Mother's Day; New Year's Day, Christmas Day and Father's Day. Approximately four out of 10 families reported dining out with children on these holidays.

St. Valentine's Day—February 14...

Designated as a day to celebrate loved ones, Valentine's Day has been a special day for centuries. The first valentines were exchanged in the 16th century—possibly the earliest recorded greeting cards. Today Valentine's Day remains a popular holiday and is celebrated with flowers, cards, candy hearts and, even more importantly, dining out.

Over the years, Valentine's Day has consistently posted a higher-than-average number of families dining out. During the last seven years, approximately one in four families visited a restaurant on Valentine's Day. When Valentine's Day fell on a Saturday in 1981, even more families—over three in 10—dined out on this special holiday. The percentage of consumer perceived deals used on Valentine's Day has gradually increased since 1977, suggesting that more restaurateurs are using promotional deals to attract customers.

Popular holidays for eating out

Holiday	Proportion of families dining out	Average per person check
Mother's Day	29.7%	$3.57
St. Patrick's Day	23.8%	$2.66
New Year's Eve	23.6%	$4.12
Father's Day	23.1%	$3.57
Secretaries Day	22.6%	$2.68
Valentine's Day	20.8%	$3.31
Labor Day	20.8%	$2.40
Grandparents Day	20.1%	$3.19
July 4	19.0%	$2.71
Memorial Day	17.5%	$2.54
Christmas Eve	14.7%	$2.88
Easter	14.3%	$3.53
New Year's Day	11.5%	$3.48
Thanksgiving	8.0%	$4.09
Christmas	3.7%	$4.60

Source: NPD Research, Inc., for the National Restaurant Association, September 1982 through August 1983.

Review:
Valentine's Day 1983

- More than one in five Americans dined out on Valentine's Day in 1983—indicating this can be a lucrative day for restaurateurs.
- The average per person check was $3.31, and almost one quarter of all meals involved some kind of consumer perceived deal. The greatest proportion of deals was used during the dinner meal—with more than three in 10 respondents using some type of deal.
- Most patrons eating out on Valentine's Day were between 25 and 49 years old.
- This special holiday was primarily celebrated in the East North Central and South Atlantic regions, and people living in the East South Central region were least likely to eat out on this day.
- A substantial majority of the families dining out on Valentine's Day did so without children—84 percent.
- Traffic was heaviest at fast food and family restaurants, but the majority of dollars were spent at atmosphere/specialty and family establishments.
- Most respondents reported eating lunch or supper away from home on Valentine's Day. More than four out of 10 families visited a restaurant during either of these meal periods.

St. Patrick's Day—March 17...

This Irish national holiday celebrating St. Patrick, the patron saint of Ireland, has been adopted by many Americans. One of the best known legends surrounding St. Patrick is that he explained the Holy Trinity to an unbeliever by using the shamrock—a three-leaved plant with a stalk—as an example. Today, Irishmen wear shamrocks on this holiday to emphasize their an-

Valentine's Day (1977-1983)

Year	Average per person check	Percentage of families dining out	Percentage of deals used
1983	$3.31	20.8%	23.5%
1982	$3.03	24.8%	25.6%
1981	$3.31	30.6%	11.5%
1980	$2.79	24.8%	9.2%
1979	$2.32	27.3%	5.7%
1978	$2.06	21.6%	6.4%
1977	$2.04	21.8%	7.2%

Source: NPD Research, Inc., for the National Restaurant Association.

St. Patrick's Day (1977-1983)

Year	Average per person check	Percentage of families dining out	Percentage of deals used
1983	$2.66	23.8%	9.2%
1982	$2.62	22.5%	12.0%
1981	$2.76	11.2%	10.8%
1980	$2.21	18.3%	7.4%
1979	$2.53	27.6%	5.0%
1978	$2.10	33.2%	11.0%
1977	$1.94	26.2%	8.6%

Source: NPD Research, Inc., for the National Restaurant Association.

cestry. Many non-Irish Americans also love to celebrate St. Patrick's Day. Green beer, Irish songs, leprechauns and the "wearing of the green" are some of the ways people set off this day, and restaurants are natural gathering places for these activities.

During the last seven years, more than one in five families visited a restaurant on St. Patrick's Day, emphasizing the continuing popularity of this holiday. A comparatively low percentage of deals has been used on St. Patrick's Day. On average, over the last seven years, less than one in 10 families used some type of deal when dining out on this holiday.

Review:
St. Patrick's Day 1983

- Almost 24 percent of all Americans dined out on St. Patrick's Day in 1983—the second most popular holiday after Mother's Day.
- Approximately one in five of the celebrators lived in the East North Central and South Atlantic regions—a reflection of the high proportion of Irish Americans living in these areas. Consumers in the East South Central area were least likely to dine out on this day.
- The average check was $2.66, and only 9.2 percent of all meals involved deals. This suggests that Americans really enjoy celebrating this day at restaurants and don't necessarily seek coupons or deals to entice them to dine out. Among the meal periods, deals were used most often during dinner—15.3 percent of these occasions involved some type of deal.
- The majority of patrons dining out on St. Patrick's Day were between 35 and 49 years old. Many 50 to 64-year olds also celebrated St. Patrick's Day. Almost 20 percent of the people dining out on this holiday were members of that age group.
- A large majority—almost eight in 10 of the patrons—dined without children.
- Fast food and family restaurants captured the most traffic and dollars. Even so, atmosphere specialty restaurants accounted for almost 20 percent of the dollars spent on St. Patrick's Day.
- Lunch and supper were the most popular meal periods for dining out. Approximately four in 10 of the respondents patronized a restaurant during these meal occasions.

Easter—April 22. . .

Easter's origins go back to the beginning of Christianity. Easter is probably the oldest Christian observance after Sunday. Many colorful traditions have developed over the years to celebrate this special day, such as Easter eggs, bunnies, bonnets and parades. Decorating Easter eggs is not only a festive way to celebrate Easter. Eggs have been considered symbols of renewed life since ancient times. Easter is usually a special day for families to gather, and restaurateurs may want to emphasize this tradition when promoting Easter.

Most people tend to celebrate Easter at home. During the last seven years, the average percentage of families dining out has been comparatively low—14.3 percent. Also few deals have been used on Easter. Over the last seven years less than one in 10 families, on average, has used some type of deal.

Review:
Easter 1983

- A relatively small portion of consumers—14.3 percent—dined out on Easter in 1983. This reflects the large number of families who celebrate this holiday at home.
- Many patrons ate out with their children—more than a third of the respondents indicated they dined with their children. This again emphasizes that Easter is generally a family-oriented holiday.
- The per person check was $3.53 in 1983—a comparatively high average. Deals were used on only 9.0 percent of the occasions—one of the lowest reported among all the holidays. Deals were used most often during the lunch period—13.2 percent of the respondents reported using a deal during lunch.
- Almost one quarter of all patrons dining out on Easter were 50 to 64-year olds.
- Easter was most often celebrated by consumers living in the Pacific and East North Central regions.
- Fast food and family restaurants accounted for the majority of traffic, but family and atmosphere specialty

Easter (1977-1983)

Year	Average per person check	Percentage of families dining out	Percentage of deals used
1983	$3.53	14.3%	9.0%
1982	$2.97	14.5%	12.1%
1981	$3.74	13.3%	7.3%
1980	$3.50	12.0%	8.8%
1979	$3.71	16.0%	9.5%
1978	$2.56	13.5%	5.6%
1977	$2.08	16.6%	7.1%

Source: NPD Research, Inc., for the National Restaurant Association.

Secretaries Day (1977-1983)

Year	Average per person check	Percentage of families dining out	Percentage of deals used
1983	$2.68	22.6%	10.5%
1982	$2.99	23.6%	8.5%
1981	$2.62	21.3%	6.4%
1980	$2.38	22.9%	6.8%
1979	$2.21	26.1%	5.6%
1978	$1.88	24.6%	8.6%
1977	$1.83	27.6%	5.3%

Source: NPD Research, Inc., for the National Restaurant Association.

establishments captured most of the dollars spent on Easter.

- Over half of the families chose to eat lunch or breakfast out on Easter—a reflection of the popularity of Easter Sunday brunches.

Secretaries Day—April 25. . .

This special day was created to show appreciation for all the hardworking secretaries across the country. The day is usually celebrated with flowers or gifts, and often the boss invites his/her secretary to lunch.

Secretaries Day has continued to be a popular day for dining out. Over the last seven years, almost one in four families reported dining out on this holiday. A fairly low proportion of deals has been used on Secretaries Day, with an average 7.4 percent of all families using some type of deal since 1977.

Review:
Secretaries Day 1983

- Secretaries Day is a popular day for dining out. In 1983, almost 23 percent of the respondents visited a restaurant, which indicates Secretaries Day offers marketing potential for restaurateurs.
- The per person check averaged $2.68, reflecting this occasion is usually celebrated at lunch. One in 10 of the meals involved using a deal or coupon.
- Predictably, few patrons included children while dining out on this day.
- The majority of consumers who ate away from home on Secretaries Day were between 35 and 49 years old.
- Mid-Atlantic and East North Central residents were most likely to dine out on this holiday.
- Family and fast food restaurants captured the majority of traffic on Secretaries Day, but fast food, family and atmosphere/specialty restaurants each accounted for similar proportions of the dollars spent.
- Approximately four in 10 respondents dined out for lunch or supper on Secretaries Day. Interestingly, a very low proportion of deals was used during lunch—4.7 percent, compared with 17.2 percent reported for the dinner meal. This suggests patrons do not necessarily look for special deals or coupons when dining out for lunch on this holiday.

Ways to promote spring holidays

Valentine's Day—focus on romance

- Offer dinner-for-two specials
- Enhance romantic atmosphere with strolling musicians or candlelight
- Provide souvenir photos for each couple
- Promote those menu items that can be shared
- Promote entire evening as a memorable way to celebrate

St. Patrick's Day—bring out the green!

- Liven up atmosphere with Irish music
- Offer green beer Irish coffee and Irish menu items
- Decorate with leprechauns, shamrocks and green balloons
- Promote evening as a festive celebration for all nationalities

Easter—spotlight on families

- Offer discounts for families dining together
- Promote an Easter Sunday brunch, with tempting egg dishes and a holiday display featuring lambs, bunnies and colored eggs
- Include special coupons with decorated Easter eggs or coloring kits
- Have your staff wear Easter bonnets
- Give all children a chocolate bunny

Secretaries Day—make each secretary feel special

- Offer special discounts to bosses dining with secretaries
- Provide complimentary flowers or candy
- Give secretaries coupons so they'll come back on their own

September-October-November 1983

CREST REPORT

CREST Highlights

- Customer counts at the nation's restaurants jumped 4.5 percent in the fall quarter of 1983.
- During the September-October-November period, visit frequency rose slightly—advancing 1.5 percent.
- Sales continued to post strong gains in the fall, rising 8.5 percent, compared with a 9.3 percent gain in the summer and a 7.6 percent increase during the spring.
- The average check size was up only 3.9 percent, down from large advances of 7.9 percent in the summer and 5.3 percent in the spring.
- Restaurateurs used promotions as a means of building customer traffic. In the fall, 11.5 percent of the meal occasions involved a promotion—up from 10.9 percent during the same period in 1982.
- Family restaurants posted the highest gains in customer traffic. Growth at atmosphere specialty restaurants and cafeterias was also significant, but traffic at fast food places increased only modestly.
- Breakfast traffic continued to rise in the fall quarter—up an impressive 13.2 percent. Customer counts at lunch, dinner and snack occasions also posted positive gains.

Customer traffic jumps during fall quarter

Customer traffic jumps 4.5 percent . . .

The fall quarter had the strongest gain in traffic in 1983. Customer counts jumped 4.5 percent during the months of September, October and November, marking the fifth consecutive quarter of traffic increases. Previous quarters experienced more modest increases in customer counts—1.3 percent in the summer, 2.2 percent in the spring and 2.4 percent in the winter. Improved consumer confidence and steady economic gains contributed to the stronger upturn during the fall quarter and should continue to boost customer traffic levels this year.

Gallup's "Monthly Monitor of Eating Out," which also tracks consumer behavior in the eating-away-from-home market, also reported favorable fall quarter results. An average of 37 percent of the people surveyed in Gallup's September, October and November surveys reported eating out at least once during the preceding day. This compares with a significantly lower 32 percent reported one year earlier.

A variety of economic factors have contributed to the strong performance in the fall quarter.

Inflation remained low and posted a slight 2.7 percent increase during the months of September, October and November. Wholesale food costs rose only moderately, which is a big plus for the foodservice industry. NRA's food cost index was up 0.6 percent during the first 11 months of 1983—a minimal increase. The unemployment rate, a major determinant of consumer confidence levels, fell for the second consecutive month in November. It dropped to 8.4 percent (seasonally adjusted)—the lowest rate in two years. Personal income also showed steady advances. According to the Commerce Department, personal income rose 1.2 percent in October—the strongest one-month increase since August 1981.

These economic indicators suggest the economy will continue to strengthen, and this bodes well for the restaurant industry. NRA expects positive growth to continue and projects real eating place sales (adjusted for inflation) will advance 4.5 percent in 1984, outperforming the 3.5 percent real sales gain predicted for the total foodservice industry. (For an indepth look at NRA's 1984 forecast, consult the December 1983 issue of *NRA NEWS*.)

CREST data can be helpful to restaurateurs

The CREST information presented here can be useful to restaurateurs as a base for comparing their operations with industry performance nationally as well as with performance within their specific restaurant category (fast food, family, atmosphere/specialty restaurants). CREST data can also help monitor performance for specific meal periods and identify how segments will be affected by economic conditions. More detailed CREST information is available to NRA members through the research and information service department of the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001.

Families dining out more often . . .

The average number of times families visited restaurants—visit frequency—rose 1.5 percent during the fall quarter. This compares with a small 0.4 percent decline during the summer, a strong 2.7 percent gain in the spring and a slight 0.8 percent advance in the winter period.

An analysis of visit frequency by restaurant type shows that atmosphere specialty restaurants experienced the largest gain of any category during the fall quarter—up 7.8 percent. Family style restaurants and cafeterias also posted an increase in visit frequency—2.1 percent and 0.8 percent, respectively. Fast food restaurants, however, experienced a slight decrease in the average number of visits per family—1.0 percent. These data support the assumption that the improved financial climate enabled many people to trade up and frequent more expensive establishments.

Restaurant sales up 8.5 percent . . .

CREST sales continue to post strong gains. They advanced 8.5 percent during the fall period. This compares with a 9.3 percent increase in the summer, a 7.6 percent rise in the spring and a 7.0 percent advance during the winter.

Increases in the average expenditure for a restaurant meal or snack—per person check size—were the most moderate of the year. During the fall quarter the average check size increased by 3.9 percent—down from 7.9 percent in the summer, 5.3 percent during the spring and 4.5 percent in the winter. The 3.9 percent increase in average check size is also lower than the 4.9 percent gain in menu prices recorded by the Consumer Price Index (CPI) for food away from home during the months of September, October and November.

Promotion usage up slightly . . .

Restaurant operators are continuing to use promotions as a means of building customer traffic, and the level of usage rose slightly during the fall quarter. In the September-October-November period, 11.5 percent of the meal occasions involved a promotion—up from 10.9 percent during 1982's fall quarter. Although promotional usage is below last winter's 12.9 percent level, it is above the summer quarter's 9.9 percent level and the spring period's 11.0 percent level.

Looking at the use of promotions by restaurant type shows that fast food restaurants continue to use promotions more often than do other restaurants. However, the level of usage at fast food restaurants dropped from 15.5 percent during the fall period of 1982 to 14.2 percent in the fall of 1983. The remaining restaurant types, on the other hand, increased their usage of promotions. During the 1983 fall period, promotions were used on 11.9 percent of the occasions at family restaurants, 11.2 percent of the occasions at atmosphere/specialty establishments and 7.2 percent of the occasions at cafeterias.

Family restaurants post highest traffic increase . . .

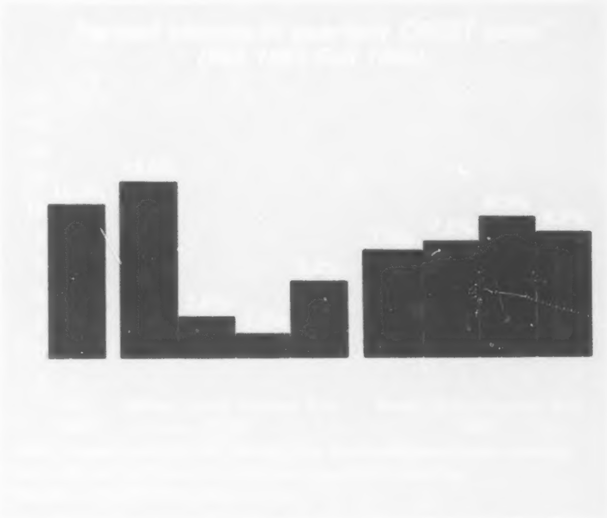
The traffic increases by restaurant type indicate that consumers are trading up and opting to spend a little more on eating away from home. Family restaurants posted the most favorable gains in traffic during the fall quarter. Atmosphere specialty restaurants and cafeterias also experienced significant advances in customer counts, while traffic at fast food establishments increased only modestly. Traffic levels at coffee shops, however, dropped during the September-October-November period.

Traffic rose a substantial 7.0 percent at family restaurants in the fall quarter over the same period a year ago. An above average increase in the number of families visiting family restaurants helped boost traffic.

The per person check size at family restaurants rose only 1.3 percent during the fall period over the same quarter a year ago. This compares with a larger 3.9 percent average increase for all restaurants. Promotions were used on 11.9 percent of the occasions at this restaurant type—up from 9.4 percent one year earlier. Minimal price increases and increased promotions may have contributed to consumers perceiving a favorable price/value relationship for a meal at family restaurants, thus boosting traffic at these establishments.

Customer counts at atmosphere/specialty restaurants also increased significantly during the fall quarter—6.8 percent, the highest increase in more than a year. A substantial rise in the number of visits by patrons—7.8 percent—may have contributed to the above average growth. Because consumers have gained confidence in both the economy and their personal economic situations, they were more likely to frequent upscale restaurants, adding to the jump in customer traffic at these establishments.

Promotional usage continues to rise at atmosphere/specialty restaurants, which could also be a factor in the strong traffic growth. Promotions were used on 11.2 percent of the meal occasions during the months of September, October and November—up from 9.1 percent of the occasions one year earlier. The per person check size rose 3.3 percent during the fall period—slightly below the 3.9 percent average for all restaurants. This factor may have also contributed to the hefty traffic gains at upscale restaurants.



Customer traffic at fast food restaurants rose a moderate 1.2 percent in the fall quarter—the lowest increase in more than a year. A slight decrease in visit frequency—1.0 percent—may have contributed to the slow growth. Also, as the economy continues to improve, consumers may be trading up to other restaurant types, contributing to the slower than average traffic growth at fast food establishments.

The per person check size rose 4.1 percent at fast food restaurants in the fall—slightly above the 3.9 percent average for all restaurants. Promotional usage dropped at fast food establishments during the fall period. Promotions were used on 14.2 percent of the eating occasions, compared with 15.5 percent one year earlier. These two factors—a higher average check size and a lower usage of promotions—may have contributed to consumers perceiving a less favorable price/value relationship for a meal at a fast food restaurant, thus slowing traffic growth at these establishments.

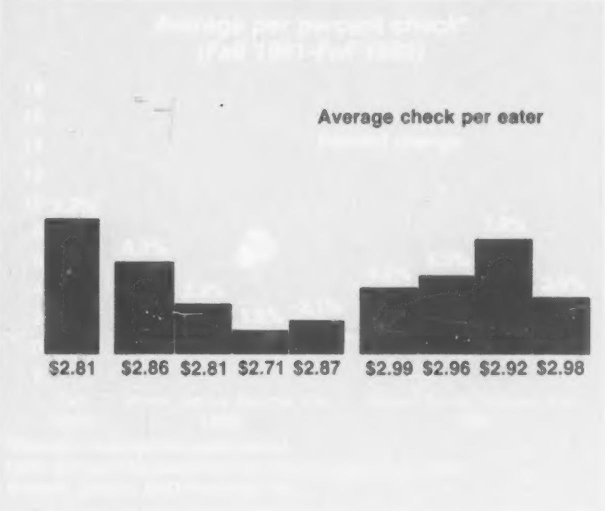
Take-out restaurants and cafeterias both reported increases in customer counts during the fall period. An increase in promotional usage and a decline in average check size probably contributed to the rise in customer traffic at cafeterias. Take-out establishments reported a hefty jump in visit frequency, and this helped boost traffic.

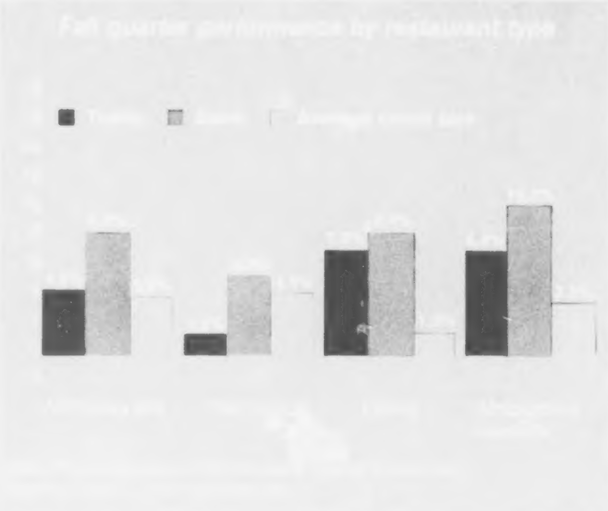
Coffee shops, on the other hand, experienced a decline in customer traffic during the fall quarter.

Breakfast traffic continues to rise . . .

Traffic rose at all meal occasions during the fall quarter, but breakfast easily captured the number one spot. Customer traffic for the first meal of the day was up an impressive 13.2 percent during the fall quarter, although somewhat lower than the 14.7 percent advance reported for the summer period. A substantial 8.4 percent increase in visit frequency contributed to the healthy rise in customer traffic during the months of September, October and November.

Promotions accounted for 9.3 percent of the eating occasions, up from 8.8 percent one year earlier. The average check size advanced only 2.5 percent during the fall—less than the 3.9 percent average for all restaurants. Together, these factors probably helped customers feel they were receiving a good value for the breakfast meal. The continuing increases in breakfast traffic





indicate more and more patrons are choosing to eat this meal away from home. Operators who do not offer breakfast may want to consider expanding their hours of service.

Customer traffic during the evening meal advanced 5.0 percent, up from the 4.4 percent rise posted during the summer months. A significant increase in the number of families eating dinner out, along with a modest gain in visit frequency, probably contributed to the traffic gains. The average check size for the dinner meal grew 3.7 percent, slightly below the 3.9 percent average for all restaurants. This, along with a hefty rise in promotional usage, may have added to the improved customer counts. Promotions were used on 16.4 percent of the meal occasions during the fall period, up from 15.4 percent one year earlier.

Restaurant traffic at lunch was up 3.4 percent in the fall quarter—the strongest improvement in more than a year. An increase in the number of families eating lunch away from home may have contributed to the upturn. Also, the improving economy and declining rate of unemployment also may have helped boost customer traffic during the mid-day meal. The average check size for the lunch meal advanced 5.3 percent during the fall quarter, and there was no recorded change in visit frequency. Promotional usage was down a slight 0.7 percent for the mid-day meal.

Snacking occasions experienced a 3.2 percent increase in traffic during the fall quarter—the first advance in almost two years. This is a positive sign for the industry since snacks are the most discretionary meal away from home. A 3.6 percent rise in visit frequency, along with a substantial jump in promotional usage, may have contributed to the traffic growth. Promotions were used on 7.5 percent of the eating occasions during the fall quarter—up from 5.2 percent one year earlier. A smaller than average increase in per person check size—3.1 percent—may have also added to the improved traffic counts.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, it contains a great deal more data, including information by type and classification of restaurant and also by meal or snack period.

Some 10,000 families, or approximately 30,000 persons, participate in the study. They have been selected to represent the demographic patterns in the U.S. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it creates an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. The first step requires that each household member make a daily entry for each meal during the two-week period. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments such as restaurants, hotels and motels, fast food drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary will not include any meals eaten at schools, hospitals, colleges or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NPD Research, Inc.

The CREST study is a joint effort of individual foodservice organizations acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is solely a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact GDR/CREST Enterprises, one of the NPD Group of marketing and research companies, 9801 West Higgins Road, Rosemont, IL 60081.

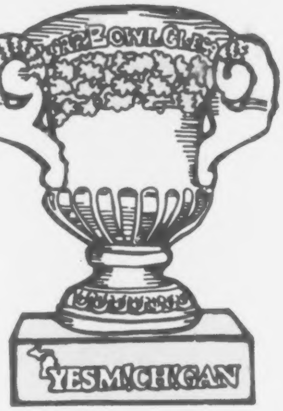
The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on and so forth. It will not tell people's attitudes toward a particular issue. Because it is an ongoing study, it will allow comparison against a standard—and aid in the development of trend analysis. This enables the operator to make decisions based on documented trends rather than on casual observation.

HALF BAKED

A Sugar Bowl classic

Usually a cake is the standard gift to commemorate a birthday. But the people of Michigan found something far more original—and appropriate—for the 50th anniversary of the Super Bowl: a 40-inch replica of the actual sugar bowl trophy made from Michigan beet sugar.

The trophy, which was the joint creation of Sheraton Oaks Hotel Executive Chef Remy Berdy and Pastry Chef Michael Baugh, was presented by Michigan Governor James A. Blankard to the people of Louisiana at the annual New Orleans Superdome classic on January 2.



Along with the replica, the Michigan Department of Commerce arranged for 100,000 "Yes Michigan" sugar packets for use in more than 20 major hotels and restaurants during the Sugar Bowl weekend and also the distribution of 4,000 red delicious Michigan apples in the Sugar Bowl headquarters hotel.

The apples and sugar packets are long gone, but the sugar trophy replica has been placed on permanent display in the New Orleans Superdome.

—Ross Roy, Inc.

Fruit: A natural diet food?

Fruit may be a natural diet food. According to a recent Yale University, fructose—a simple sugar found in fruit that slowly builds insulin levels—suppresses hunger up to three hours after the fruit is eaten. Theoretically, fruit dieters can cut their calorie intake by up to 50 percent, thus losing weight.

The popular grapefruit diet, apple diet and other fruit diets may have scientific merit after all, says Yale Study Director Judith Rodin, who claims that it's possible to lose 50 pounds in a year if these fruit nutrients have a long-term effect.

—USA Today

Breakfast delivered to the front door

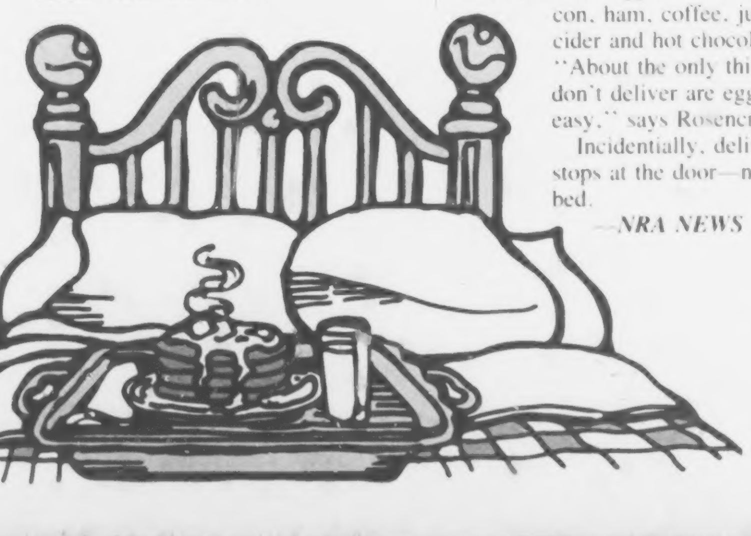
Breakfast in bed is what Matt Rosencrans, owner/operator of the Colonial Pancake House, Grand Forks, ND, offers his customers. The idea, modeled after pizza delivery services, came from one of Rosencrans' regular customers, who mentioned it would be nice to have the Colonial Pancake House breakfast in bed.

When ***NRA NEWS*** spoke to Rosencrans several weeks ago, the program was only one week old and deliveries were scheduled between 6:00 a.m. and 9:00 a.m. Even then Rosencrans reported 30 to 40 home deliveries a day. The enthusiastic response to the delivery program has led him to consider eventually extending the service to 24 hours a day. Already two extra people have been hired to help with home deliveries, which include pancakes, waffles, scrambled eggs, French toast, bacon, ham, coffee, juice, hot cider and hot chocolate.

"About the only thing we don't deliver are eggs over easy," says Rosencrans.

Incidentially, delivery stops at the door—not the bed.

***—NRA NEWS** interview*



Good vibrations for fish thawing

A possible breakthrough for fish thawers is being tested by the Northwest and Alaska FisheriesCenter, Seattle, WA. Acoustical thawing—using sound waves to vibrate ice crystals—is believed to reduce fish thawing time by a factor of five (what once took five hours to thaw can now be thawed in one hour).

Each species of fish has different size crystals. Once these crystals are calculated a "thermoelastic relaxation frequency" can be determined to help the crystals pass heat more readily. Tests on 28-pound cod blocks immersed in fresh water and exposed to 1,500 hertz wave energy suffered no loss of quality when compared to fish thawed only in fresh water.

Seafood Leader

NRA SEMINAR SCHEDULE

American Regional Cookery

3/6-7	Las Vegas, NV
3/12-13	Boston, MA

Banquets and Buffets

4/11-12	Tampa, FL
4/17-18	Milwaukee, WI

Simplified Baking Workshop

3/13	Chicago, IL
3/27	Washington, DC
4/4	Exeter, NH
5/8	New York, NY

Off-Premise Catering

3/5-6	Pittsburgh, PA
3/26-27	San Diego, CA
4/9-10	Atlantic City, NJ
4/30-5/1	Las Vegas, NV

Computers in Foodservice: A Primer*

3/26	Baltimore, MD

Computers in Foodservice: Advanced Technologies/Now That I Have One. . .*

3/27	Baltimore, MD

Perfecting Your Culinary Skills

3/6	Denver, CO
3/8	Las Vegas, NV
3/13	Columbus, OH
3/15	Indianapolis, IN
4/10	Richmond, VA
4/19	Atlanta, GA

Dining Room Management

3/7	Omaha, NE
3/26	Allentown, PA
3/28	Cleveland, OH
4/10	Atlantic City, NJ
4/16	Oklahoma City, OK
4/18	Memphis, TN

Controlling Food Cost

3/5	Burlington, VT
4/16	Kansas City, MO

Kitchen Management

3/19	Little Rock, AR
3/26	Knoxville, TN
3/28	Columbia, SC
4/10	Atlantic City, NJ
4/18	Cincinnati, OH
4/30	Boston, MA
5/2	Binghamton, NY

Principles of Labor Cost Management*

4/11	Philadelphia, PA
4/24	Baltimore, MD
5/7	Seattle, WA
5/9	San Francisco, CA

Advanced Labor Cost Management*

4/12	Philadelphia, PA
4/25	Baltimore, MD
5/8	Seattle, WA
5/10	San Francisco, CA

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

3/14-15	Atlanta, GA
4/4-5	New York, NY

Planning and Implementing Restaurant Marketing Strategy

4/2-3	Hartford, CT
4/25-26	Denver, CO
4/30-5/1	Washington, DC

Creative Merchandising Techniques

3/26	St. Louis, MO
4/9	Atlantic City, NJ
5/9	Wilmington, DE

Motivation: Increasing the Desire to Do More and Better Work

4/24	San Francisco, CA
5/2	Minneapolis, MN

Opening a Restaurant: Before You Start Cooking...

3/6	Dallas, TX
4/3	Raleigh, NC
4/7	Seattle, WA
4/9	Portland, ME

Operational Analysis

3/6-7	San Francisco, CA
3/27-28	Columbus, OH
5/7-8	Philadelphia, PA

The Pantry: Prep for Profit

4/26	Detroit, MI
5/1	Las Vegas, NV
5/3	San Francisco, CA

Basic Purchasing

4/2	Los Angeles, CA
4/9	Atlantic City, NJ
4/20	Little Rock, AR
5/7	Des Moines, IA

Basic Supervision in Foodservice

3/6	Baltimore, MD
4/3	Chicago, IL
4/17	New Orleans, LA
5/8	Milwaukee, WI

Train the Trainer

3/12	Salt Lake City, UT
3/13	Okalahoma City, OK
4/26	Los Angeles, CA

Wine: Sales and Merchandising

3/8	Philadelphia, PA
4/17	Atlanta, GA
4/19	New Orleans, LA
5/15	Williamsburg, VA

**Please note that there are basic and advanced courses on the topics of computers and labor costs. These courses are scheduled consecutively, but either program may be taken independently of the other.*

Hospitality Project Workshops

Washington, DC

3/5-6	Fast Food
3/7-8	Full Service
3/12-13	Cafeteria

For more information, contact:
NRA Education Programs
311 First Street, N.W.
Washington, D.C. 20001
800-424-5156

STUDY GROUP MEETINGS

Internal Audit

3/14-16	San Antonio, TX

Financial Officers

4/4-6	San Francisco, CA

Tax Executives

4/4-6	San Francisco, CA

Marketing Executives

4/8-11	Washington, D.C.

EDP

4/24-27	Clearwater Beach, FL

Safety Officers

4/25-27	Atlanta, GA

Quality Assurance

5/8-9	Arlington, VA

Purchasing

5/16-18	Chicago, IL

MAFCO

5/16-18	Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

IN-HOUSE SEMINARS MAY BE ARRANGED UPON REQUEST

Feel like there is something a little strange happening in your foodservice operation?

Let NRA Publications put the industry into perspective

Ordering information
Enclose a check for the price of the book(s) *plus* postage and handling as well as applicable taxes. We can only bill orders over $50 and they *must be accompanied by a purchase order.*

Minimum U.S. shipping/handling charge is $2.00; for orders over $20, add 10%; minimum intl. shipping/handling is $4.00; orders over $20.00 add 20%.

Washington, DC, residents add 6% sales tax; Illinois residents add 7% sales tax; Chicago residents add an *additional* 1% sales tax.

Great Menus

NRA's 21st Annual Great Menu Contest Award Winners

If you're planning to redesign your menu or are just curious about what the best menus in the country look like, this is your book. Photographs of the winning menus, accompanied by inside spreads and production notes, are included for each winning menu. A special chapter, "State of the Art," singles out non-winners for special or unique innovations and features.

PB880; Nov. 1983; 64 pgs.; **$19.95;** *plus shipping and handling and of new publications.*

The Success of Our Restaurant Depends on You

NRA Payroll Stuffer Program

This is a simple, effective program complete with camera-ready payroll stuffers. It will help you recognize and reward your employees. The payroll stuffer program tells your employees, "We're glad you're here!" The project kit includes all the material and information you'll need to produce a customized program which will boost morale and let your employees—from busers to chefs—know that you care.

PB549; 1982; **$3.50;** *plus shipping and handling.*

PROMOTIONS—What's Possible, What's Popular and What's Profitable

Edited transcript of NRA's Second Annual National Conference on Promotions. Use this transcript as a how-to manual on building a successful promotions program. From the steps involved in developing a promotional strategy to the pros and cons on couponing, you'll learn what the experts are doing in restaurant promotions.

MG575; Nov. 1983; 80 pgs., **$12.50;** *plus shipping and handling.*

Consumer Expectations with Regard to Dining at Fast Food Restaurants

If you operate a fast food establishment, you shouldn't be caught without this comprehensive research report on your customers' expectations. Find out what your customers are really looking for when they walk in your doors. The data in this new NRA publication/research report includes demographic charts and tables to help you pinpoint *your* customers' wants and needs.

CS926; Oct., 1983; soft cover; 130 pgs.; NRA members **$15,** non-members **$30;** *plus shipping and handling.*

National Restaurant Association, 311 First St., NW, Washington, DC 20001
(800) 424-5156 (202) 638-6100

National Restaurant Association
Vol. 4 ☐ No. 3 ☐ March 1984

NRA NEWS

INTERNATIONAL MARKETS
NEW FRONTIERS

Vol. 4 No. 3 March 1984

NRA NEWS

In good times and bad, NRA is working for you

The NRA Economic Forecast for 1984 called for a three-percent increase in sales this year. As we end the first quarter, there is no reason to doubt that rosy prediction. Business is good.

While we enjoy a growth period, however, we cannot afford to overlook the problems which beset our industry. Certainly, the people at NRA have not.

- Wide public concern about drunk driving has focused attention on restaurants and taverns. The number of third-party lawsuits resulting from traffic accidents involving drunk driving is growing steadily.

The NRA Task Force on Alcohol Awareness met early this month to coordinate the industry's response to this problem. It is producing a comprehensive program that will allow us to join the nationwide campaign against DWI while still defending our own interests.

- The Food and Drug Administration is debating what action to take on the question of sulfiting agents in the foods we serve. The threat of unreasonable labeling requirements is very real.

The NRA Task Force on Additives meets shortly to find alternative methods of warning asthmatics who are sensitive to sulfites about the possible danger to their health.

- Finding suitable employees to commit themselves to our industry is a perennial problem. The situation grows worse as the number of youngsters entering the work force decreases.

An NRA Board level committee met in Boston this month to organize a campaign aimed at vocational guidance teachers to promote careers in foodservice.

- Training employees—once we find them—to a high standard of hospitality is another perennial problem.

This month, NRA completed the test run of the Hospitality Workshop—a two-day seminar designed to train managers to set hospitality standards for their own establishments and then teach employees how to maintain those standards.

The workshop was a complete success. The NRA Hospitality system works. (See p. 2) Many firms are signing up for in-house offerings of the program. Others will send managers to participate in the general offering schedule to begin next summer.

- And in Washington, the NRA Government Relations department began battling yet another tax bill that includes an increased excise tax on liquor and higher FUDA taxes. Be prepared to respond to "Action Calls" when you receive them.

NRA is working for you. That's why your support of the association—in good times and bad—is appreciated.

Sincerely,

Harris O. Machus

Harris Machus
Vice President

Officers
Chairman of the Board and President
Joe R. Lee
Vice President
Harris O. Machus
Treasurer
Ted Balestreri
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Coordinator
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Foodservice Trends
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Staff Contributors
Walter Ashcraft
Joan E. Campbell
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Kathy Groiss
Bette B. Hoyt
Cathy Kenney
Susan F. Mills
Robert A. Palmer
Andrew P. Poledor
James T. Rogers
Editorial Typist
Barbara Foley
Valerie Pines

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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SHORT ORDERS

Special enrollment period for NRA life insurance plan

A special enrollment period is now in effect for the NRA Group Life Insurance Plan, which allows NRA members and spouses to obtain coverage with minimal acceptance requirements.

Until May 1, 1984, all members, key employees, and/or their respective spouses will be automatically guaranteed acceptance for a $20,000 policy as long as they are under 55 years of age and can answer "no" to two qualifying health questions:

1. During the past 90 days were you unable to perform the material duties of your occupation on a full-time basis for 30 or more hours per week at your usual place of business because of sickness, disease or bodily injury?
2. Have you ever had or been treated for heart trouble, high blood pressure, diabetes or cancer?

This is the first time so much coverage is being offered with such a liberal guarantee. It is also the first time spouses are being allowed to enroll in the plan.

The NRA plan provides complete coverage for death from any cause, at any time, in any place. The one exception is suicide, which is not covered during the first year the insured's coverage is in force.

Special features of the plan include a waiver of premiums in case of permanent disability, guaranteed renewability regardless of health to age 70 and guaranteed conversion rights at age 70 or upon termination of NRA membership (or employment with an NRA member).

Like all NRA-sponsored insurance plans, premium rates for this plan are very reasonable due to the group buying power of NRA and the economies of efficient standardized administration of the plan.

Further information on the NRA Group Life Insurance Plan is being sent to each member. For answers to immediate questions concerning this plan, contact NRA's insurance administrator Albert H. Wohlers & Co., NRA GROUP INSURANCE PLANS, 1500 Higgins Rd., Park Ridge, IL 60068.

First NRA member implements NRA's Hospitality Project

The Serv-Rite Food Service Corporation of Rochester, NY, is the first NRA member to implement the Hospitality Project. NRA's Hospitality Project provides restaurant operators and their staffs with measureable standards for quality service.

NRA presented the Hospitality Project in October 1983 to the Serv-Rite management staff. Vice President Stanley Gilbert assumed the position of project coordinator, overseeing the training of management and staff as well as project implementation. The corporation successfully completed all staff, management, project coordinator and restaurant certification steps as well as the Hospitality Project Self-Auditing Checklist in four months.

The Serv-Rite Corporation has annual sales of $5 million and employs 200 people at 20 facilities. The company specializes in school, college and institutional foodservice, industrial cafeterias, catering and consulting services.

NRA in Action

NRA Show information is coming your way

Next month's ***NRA NEWS*** will feature a special pull-out newsletter on the 1984 NRA Restaurant, Hotel-Motel Show. The newsletter will include a comprehensive schedule and will focus on special Show activities and speakers.

NRA-supported bill introduced in Senate

After discussing the central kitchen issue with NRA, Sen. Huddleston (D-KY) introduced a bill in the Senate which would exempt central kitchens from Federal Meat and Poultry Inspection. For more information on the Senate bill see *Washington Report* in this issue.

NRA Task Force on Alcoholic Awareness

NRA's Task Force on Alcoholic Awareness was formed by the NRA Board of Directors to coordinate the industry's response to the problem of drunk driving. For more information on the task force and NRA efforts, see *The Board Room* this month.

NRA's Show seminar series

NRA's Education Programs Department will offer 12 of its top seminars on May 19 and 20. Look for a schedule in the mail.

Directory of gas foodservice equipment

A newly revised "Directory of Gas Food Service Equipment" has been published by the foodservice equipment division of the Gas Appliance Manufacturers Association (GAMA).

The directory gives brief descriptions of various types of equipment and indicates which companies in GAMA's foodservice equipment division produce each type. Categories shown include broilers, counter equipment, deep fat fryers, food holding and warming equipment, griddles and grills, ovens, ranges and steam equipment.

Copies are free from Gas Appliance Manufacturers Association, 1901 N. Fort Myer Dr., Arlington, VA 22209; (703) 525-9565.

WASHINGTON REPORT

Supreme Court decides Lone Steer case

Does a Department of Labor (DOL) compliance officer have the right to enter your restaurant and conduct a wage and hour investigation without first obtaining a warrant?

That was the question NRA hoped the Supreme Court would decide when it took up *Donovan vs. Lone Steer, Inc*. last November. But when the Court made its decision in January, it skirted the issue of whether DOL's enforcement authority is constitutional and simply ruled that DOL may issue an administrative subpoena requesting that an employer produce certain records off his premises. Thus, the question of warrantless entry remains unanswered, and the Court's ruling has little effect on the way DOL will conduct investigations.

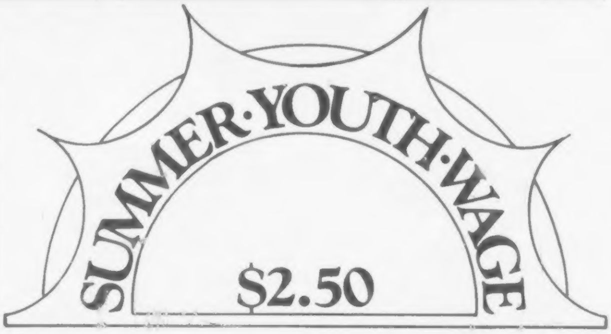
The case stemmed from a 1982 district court ruling in favor of Lone Steer, Inc., a restaurant and motel operation in Steele, ND. Lone Steer refused to allow a compliance officer in the nonpublic area of the establishment because the officer had not obtained a search warrant. Lone Steer also refused to comply with an administrative subpoena requesting that certain payroll records be provided to DOL off the premises.

In siding with Lone Steer, the district court concluded that the enforcement provision of the Fair Labor Standards Act (FLSA) "is unconstitutional insofar as it purports to authorize a warrantless inspection of records by way of administrative subpoena after entry to inspect has been denied."

DOL appealed the case to the Supreme Court, and NRA filed a friend-of-the-court brief supporting Lone Steer.

But instead of ruling on the constitutionality of DOL's enforcement authority, the Supreme Court simply reaffirmed its decision in an earlier case, *Oklahoma Press*, that DOL can use an administrative subpoena to gain access to employee records.

Although the Court ruled against Lone Steer, the decision is not necessarily a victory for DOL. The Court made it clear that the government has a right to subpoena records, but the decision leaves untested DOL's authority to enter a business.



Reagan proposes youth wage

As part of his budget request for fiscal 1985, President Reagan once again is calling on Congress to approve a minimum wage of $2.50 an hour for those under age 22. The proposed youth wage would be in effect only during the summer months.

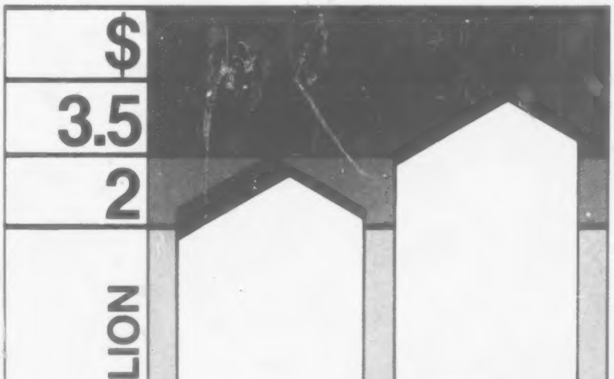
In his budget message, Reagan said it has "long been acknowledged" that the federal minimum wage is a barrier that makes it difficult for youth to find work. A youth wage, he said, "will let employers lower their costs to levels more in line with the skills youths possess, and it will help many young people find jobs and gain valuable work experience."

The President advanced a similar proposal last year, but it received little attention on Capitol Hill.

SBA adjusts size standards

The Small Business Administration (SBA) has revised its small business size standards, raising the ceiling for restaurants from $2 million in annual sales to $3.5 million.

Supported by NRA, the new regulations mean that a restaurant or bar with annual sales of $3.5 million or less will be eligible for SBA assistance and programs. SBA direct and indirect loans as well as small business procurement contracts. The new size standard was published in the Feb. 9, 1984, *Federal Register* and is effective Mar. 12, 1984.



In proposing an increase last May, SBA said the ceiling needed to be adjusted for inflation to "put the size standards on a real dollar equivalent to the time of the last general adjustment." The last time the standard was changed was in 1975, when it was set at $2 million for restaurants.

The publication of the new standard brings to a close a four-year effort on the part of SBA to revise the size standards. During that time the agency published several unpopular proposals to change the standards, including one opposed by NRA that would have based them on the number of employees in an establishment rather than on gross receipts.

NRA is seeking alternatives to labeling of sulfiting agents

Concerned that the Food and Drug Administration (FDA) may seek mandatory labeling of sulfiting agents in restaurant food products, NRA is studying alternatives for notifying the public that would be acceptable to the foodservice industry and the government.

Sulfiting agents—used in the food industry as a preservative and anti-browning agent—are now thought to cause adverse reactions in certain individuals, especially asthmatics. Last year NRA asked its members to stop using the chemical until FDA tested it to determine whether it was a health hazard. Since that time, more than 100 reactions have been reported to FDA, and a number of them are under investigation by the Center for Disease Control.

As an interim measure FDA asked retail establishments, including restaurants, to alert their customers to the presence of the preservative in foods by labeling, menu notices or signs. Now FDA is said to be considering mandatory labeling, a move NRA believes would pose serious problems for the restaurant industry.

NRA believes it would be extremely difficult, if not impossible, for a restaurateur to accurately determine which of the foods he uses contain sulfites and whether the levels are considered hazardous. Sulfites are added to a number of food products at the initial stages of production, and it would be extremely difficult to determine how much residue remains after the food has gone through those production stages. For example, even if an operator were able to determine that a potato product he bought at wholesale contained traces of sulfites, should he be required to label his mashed potatoes after he cooked them on the premises?

NRA also believes that it would be unfair for FDA to require labeling when only a small percentage of the population reacts violently to its use in foods. A better approach, NRA feels, may be for FDA to alert the health-care profession to reports of reactions and to ask doctors to inform sulfite-sensitive patients of possible health hazards.

NRA sees little value in the labeling of sulfites if customers are not aware of the effects of the chemical on certain people. NRA also is concerned that a requirement that sulfites be labeled will lead to labeling of other additives.

NRA opposes bill to raise drinking age

Just two days after the House Energy and Commerce Committee approved a bill (H.R. 3870) to establish a national drinking age of 21, the NRA Board of Directors voted to actively oppose any federal attempt to regulate the drinking age. In making its decision, the board said it felt that legislation like H.R. 3870 is unconstitutional, since the 21st Amendment gives the states exclusive authority to regulate the sale and consumption of alchohol.

The board also said NRA should make a strong effort to increase public awareness and understanding of the drunk driving problem, and it voted to establish a task force on alcohol awareness "to plan and coordinate industrywide activities to assist in efforts to solve the problem of drunk driving." (See related story in Board Room.)

H.R. 3870 was introduced last year by U.S. Rep. James Florio (D-NJ). It is one of several bills in the House and Senate that would raise the drinking age. The Florio bill has the best chance of seeing floor action. The bill would make it illegal for any establishment engaged in interstate commerce that sells alcoholic beverages (i.e., any restaurant or bar) to sell liquor to those under 21.

During markup of the bill in February, the Energy and Commerce Committee agreed to an amendment by Rep. Norman Lent (R-NY) that would postpone enforcement for two years and exempt states from the bill if they raised their drinking age to 21.

Although a number of consumer groups and legislators favor establishing a national drinking age of 21 as a means of reducing alcohol-related traffic fatalities, there is evidence that raising the drinking age does not necessarily accomplish this. During hearings last October on H.R. 3870, the National Licensed Beverage Association testified that, in states where sufficient evidence is available, raising the drinking age has not resulted in a significant decrease in accidents. In three of these states the number of accidents actually increased.

Industry has also questioned how practical the Florio bill would be. For example, there are no provisions for enforcement, and it is unclear whether those under 21 would be allowed to serve alcoholic beverages. Also, the bill would only control the sale of alcoholic beverages. It places no age restrictions on the consumption of alcohol, such as at private parties or at home.

Sen. Boren addresses NRA Board

"We've got to deal with the deficits now," was the message Sen. David Boren (D-OK) delivered to the NRA Government Relations Committee last month. In a speech to the NRA Board of Directors, Boren said that if something is not done soon to reduce federal red ink, the economic recovery will sputter and interest rates will zoom.

Boren, who sits on the Finance Committee and favors a constitutional amendment to balance the budget, painted a bleak picture for the country's future if government spending is not brought under control.

Boren said the Wharton School of Finance has predicted that "if we continue on our present course, the U.S. government will take 67 percent of all available credit to service the national debt before 1988. That means only one-third of all credit would be available for private sector expansion. Obviously, if that happens, interest rates will go sky high and that will put the economy on the wrong track again."

Uncertainty about the economy, particularly fluctuations in interest rates, is the leading reason for business's current reluctance to expand, he said. The senator added that tax bills, like the 1982 Tax Equity and Fiscal Responsibility Act (TEFRA), are "just Band-Aids that do little to solve our problems." TEFRA contained the controversial tip allocation requirement, which Boren cited as an example of the way Congress raises small amounts of revenue at the expense of the private sector.

Because Boren realizes that enactment of a constitutional amendment to balance the budget "could take years," he favors an interim proposal to reduce future indexing of income tax rates and cut growth in federal entitlement programs.

Such a proposal, he claims, would raise about $250 billion over three years but will probably not be considered this year because of the election. Boren believes prospects are brighter for 1985. This year, the senator expects Congress to pass a modest tax bill that should yield $20 to $25 billion over a four-year period. It will be "TEFRA-like" in its approach, he said, with changes in the tax code that would affect a number of industries

Boren also is optimistic that Congress will pass an extension of the Targeted Jobs Tax Credit (TJTC), which is due to expire at the end of this year. The credit is used extensively in the foodservice industry, and NRA supports a bill introduced by Sen. John Heinz (R-PA) to extend it for five years.

Boren said, too, that he supports NRA's efforts to change the tip reporting law, but he noted that it would be tough to get the changes through the Senate.

Bill to exempt restaurant central kitchens from inspection

As a result of NRA lobbying efforts bill S. 2256 that would exempt restaurant central kitchens from federal meat and poultry inspection was introduced by Sen. Walter Huddleston (D-KY) on Feb. 3. Huddleston is the ranking Democrat on the Senate Agriculture Committee and introduced the bill after discussing the central kitchen issue with NRA.

S. 2256 would exempt from federal inspection restaurant central kitchens that prepare ready-to-eat meat and poultry products for sale to patrons at restaurants owned or operated by the owners of the central kitchens. Those central kitchens that cook food to be sold in packaged form would continue to be inspected.

Huddleston noted that he was introducing the bill in response to a March 1983 USDA Food Safety and Inspection Service study. That study concluded that the inspection of restaurant central kitchens—which supply prepared food to their own restaurants—is burdensome.

Huddleston said it "had been my hope that this matter could have been resolved administratively. However, it was the opinion of the Office of General Counsel of USDA that an exemption for restaurant central kitchens could be accomplished only through legislation."

NRA has argued on numerous occasions that central kitchens should be treated the same as restaurants which are exempt from federal meat and poultry inspection.

NRA believes many more restaurants would use central kitchens if they were not inspected by USDA, since these kitchens must now meet the same stringent requirements for sanitation, equipment and facilities required of meat packing plants.

Obviously, such strict guidelines make it difficult, if not impossible, for a small business to use a central kitchen.

If your operation would be helped by the passage of S. 2256, NRA urges you to contact your senators.

TJTC state handbook is being reviewed

A group of service industry business leaders, including a representative from NRA, has met with Labor Secretary Donovan's chief of staff to seek changes in new guidelines for the Targeted Jobs Tax Credit (TJTC). The credit is used extensively in the foodservice industry. It gives employers a tax break if they hire individuals from nine targeted groups.

Last year, the Department of Labor (DOL), which administers TJTC, began final preparation of an employment handbook for state job services offices to use in implementing the program. The handbook was originally scheduled to be released last fall but has been delayed as a result of the meeting with Donovan's aide. The handbook contains language many TJTC users feel could kill the program, and DOL now says that it will allow NRA and other industry groups to suggest changes before it provides the final version to the states. *—Jay Morris*

THE BOARD ROOM

NRA task force organizes industry response to drunk driving

NRA's Task Force on Alcohol Awareness met in Washington on March 8 and 9. Chaired by Michael Grisanti (Casa Grisanti, Inc.), the task force is coordinating the industry's response to the problem of drunk driving.

The agenda for the two-day meeting included such topics as employee education, industry practices, alternative forms of transportation and perception of the industry. The task force will evaluate and endorse practices and programs and make recommendations to the NRA board.

The task force, composed of educators, state association executives and leaders of firms dispensing large volumes of alcoholic beverages, is one part of the extensive drunk driving program authorized during the February board meeting. The NRA directors passed successive resolutions calling for

1. the development of an education program for managers and servers in establishments that serve alcoholic beverages
2. the production of display materials that communicate the dangers of drunk driving to guests and employees and
3. the establishment of the task force to coordinate industrywide activity.

"The NRA membership believes in the moderate and responsible dispensing of alcoholic beverages," said NRA President Joe R. Lee. "Even though restaurants and taverns dispense only one-fourth of the alcohol consumed in the country, we recognize the tragedy that can result from driving after excessive drinking and have committed our resources to increasing public awareness and understanding of the problem."

The NRA Board of Directors authorized the immediate development of a workshop designed to teach servers how to deal with the situations that could lead to drunk driving. During the spring, this program will be offered first by NRA and then through state restaurant associations in every region of the country.

The board also authorized the development of posters, table tents and other materials that will help foodservice operators communicate concern about drunk driving to employees and guests. Sample table tents, featuring the slogan "Friends don't let friends drive drunk," have already been mailed to the membership. Other materials will appear in the months ahead.

Having taken these immediate measures, the board then established the task force of industry leaders to plan and coordinate ongoing industrywide activities aimed at assisting efforts to reduce the problem of drunk driving, a problem that reaches far beyond the restaurant and tavern industry.

The task force will also contact other organizations already involved in programs aimed at dealing with the problem. "To a great extent, we have committed the association to joining in a national campaign," Lee said. "The task force will tell us where and how we can make the greatest contribution."

NRA board appoints Fisher to chief staff position

The NRA Board of Directors confirmed the appointment of William P. Fisher as the association's executive vice president at its winter board meeting. Fisher succeeds Robert Neville, who will remain with NRA in an advisory capacity.

President Joe R. Lee stated, "Bill Fisher has a unique combination of association, academic and business experience in the foodservice industry. This experience provides a broad framework from which to address the issues and opportunities before our industry today.

"We are very pleased with this appointment as Bill is exceptionally well qualified to meet the multifaceted responsibilities of our association," Lee added.

Fisher most recently served as executive vice president of Service Systems Corporation, a Buffalo, New York-based contract management services firm. He was an assistant professor at Cornell University's School of Hotel Administration and is a director of the New York State Restaurant Association. He returns to the post of NRA executive vice president, a position he held for nearly five years in the mid-1970's.

"I am absolutely delighted to re-assume this position with the NRA," Fisher said. "I believe that the foodservice industry performs a service essential to this nation. The NRA must stay in the forefront of matters of common interest and concern to the industry. I look forward to participating and contributing to the process."

Commenting on Bob Neville's future role with the association, Lee said, "We are very pleased that Bob has agreed to act as an advisor to the association. He has assembled a remarkably cohesive and competent staff which has functioned very effectively under his direction. His presence will ensure continuity in the months ahead."

Fisher joined the NRA staff earlier this month.

The franchise agreement

A franchise agreement is nothing more than a contract, and many people sign contracts without reading them or subjecting them to legal scrutiny. In the same way, many franchisees fail to do their "homework" before committing themselves. If you're considering becoming a franchisee, you need to study the franchisor's package carefully and determine if you can live with all aspects of the agreement. After you sign, it's too late to argue for changes.

There's no such thing as a standard franchise agreement that applies to the entire industry. So your dealings with your franchisor will be governed in all particulars by the agreement you sign.

Agreements vary in terms of franchisor obligations, but commonly you might expect to obtain

- a license to use the franchisor's concept and name, trademarks, recipes, etc.
- territorial exclusivity
- business premises
- management help, training systems, advertising programs and
- general assistance that draws on the expertise of the franchisor.

Franchisors are also obligated by the Federal Trade Commission to provide prospective franchisees with a disclosure statement that outlines the company's business history and financial condition as well as any legal action taken against it by franchisees or others.

For their part, franchisors will look you over with the eye of a banker. Your financial and credit history and your employment background in foodservice will receive particular attention. A franchising company will try to evaluate whether an applicant can be trusted to maintain the company's standards and to follow all aspects of the company's program.

Financial obligations . . .

Many franchisors have had problems in the past with franchisees who either would not or could not follow company directives, and some successful franchise concepts have been ruined because of such failures.

That is why a franchisor may structure the agreement to be quite specific, even about small matters. A franchisor, in short, has its business well-being riding on its franchisees and must act accordingly.

The financial obligations of the franchisee are significant. Generally, you will pay a flat, one-time franchise fee, coupled with continuing royalties based on a percentage of your gross sales. Equipment, supplies, labor and rent payments will be your responsibility, although franchisors may provide you with some items at a discount. Franchisors will usually reserve the right to require further payments for advertising, and many large chains rely heavily on expensive television and print ads.

The advice to "consult an attorney" is particularly applicable for the person considering the purchase of a franchise. When you consider the enormity of both the financial obligations and the possible rewards, it's money well-spent.

An attorney may be able to suggest changes in the agreement to better protect you and get your relationship with the franchisor off to a more comfortable, secure start.

—Robert Palmer

International markets:
new frontiers

by Elyse Cuttler

The lure of international expansion for American foodservice corporations seems a little like Columbus before his voyage. He knew something good was out there, but he really wasn't sure what he would find.

Oversaturation of certain concepts in some areas of the United States has led many foodservice operators into the international arena. Some companies have been sought out by foreign investors who were interested in bringing a U.S. food concept onto their soil, while other companies have been lured by the simple fact that they believed a viable market existed for their product.

However, the international market is not all glory. Many times, a company does not fully anticipate problems that can occur along the way, or it fails to understand the kinds of factors that influence possible market acceptance. One thing is certain: The foodservice operations that have succeeded in bringing their concepts overseas have worked long and hard to integrate them into the native culture.

Getting started . . .

For some foodservice corporations who have entered the overseas market, where to go was not the major consideration. According to Terry Rhoton, vice president of franchise sales and technical services for Popeye's Famous Fried Chicken, the NRA Show provided Popeye's with its initial exposure to the overseas market.

"We were approached by foodservice operators from Singapore and Malaysia, who expressed an interest in bringing the Popeye's concept to their countries. They were convinced that a market existed for our product," explains Rhoton. "Our restaurants are located in 35 states, and we wanted to concentrate on more development here." At that time the prime lending rate was 20 percent in the United States, while the rate in Malaysia was 8 ½ percent, so the company made the decision to expand internationally. Since then, Popeye's has continued its international expansion to include a total of 104 units overseas and in Canada.

A similar first experience in international franchising was reported by Gus Dussin, NRA director and owner of the Old Spaghetti Factory in Portland, OR. Three years ago Dussin was approached by a foreign investor from Japan, who wanted to franchise the Old Spaghetti Factory concept in that country.

"The climate was right for expansion," says Dussin. "The Japanese economy was strong, and we felt that the opportunity for success was very promising. I wasn't worried about the acceptance of spaghetti. After all, Japan is the biggest noodle eating country in the world—bigger than Italy." Dussin's prediction was correct. The Old Spaghetti Factory was so successful in Japan that he is planning to open five more units in that country and has looked to other markets for expansion as well.

"We decided to explore the German market," Dussin continues, "because, like Japan, the economy is strong and the marketing concepts and restaurant approaches are similar to the United States."

Dussin found a partner in Germany and has built a strong following for his operation in that country. At present, he has plans to open two more units in the next few years.

Pizza Time Theatre, Inc. has also discovered that its concept was desired by foreign investors. "We never made a conscious sales effort in foreign markets," says Jack Campbell, vice president of international. "A lot has been written about our concept in many foodservice and financing magazines all over the world. People started contacting us about franchising possibilities."

Pizza Time Theatre has expanded to Hong Kong, Singapore, Puerto Rico, Australia and Canada. A European unit is scheduled to open sometime this spring.

Being the first . . .

Other companies like Dunkin' Donuts and Mister Donut saw the challenge of marketing a product in countries that had never been exposed to anything like donuts before.

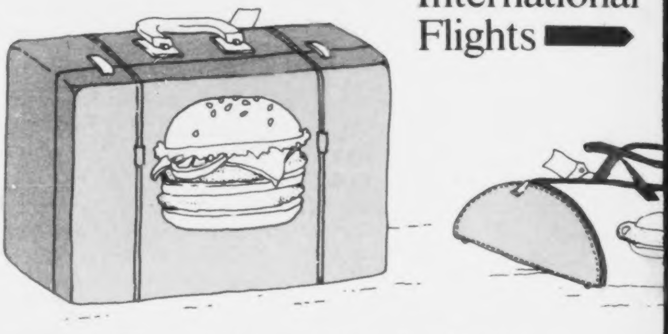
"It was a risk to open units in the Far East," admits Claude Joussemet, director of international marketing. "We did market research studies, but we couldn't relate our product to any other type of food item. The donut was totally new. The word doesn't even translate."

Joussemet explains that the company had to come up with a way to create an awareness of its product. "The question was: How do you eat this item called a donut? Do you use your hands or a utensil? And how does it taste? Is it sweet or salty? It was a learning process; we had to communicate all of those things in a very effective manner," he says.

Joseph Dubanoski, vice president of franchise and restaurant division for Mister Donut, agrees with Joussemet. "We knew we were selecting a market that was quite dissimilar from our own," he acknowledges when talking about the company's Japanese expansion. "The Japanese do not eat many sweets or drink much coffee so we couldn't position the donut as a breakfast item."

Instead, the donut was positioned as a snack or fun food. "When we opened in Japan," says Dubanoski, "the franchisee came up with a plan to hire a helicopter and deliver the donuts to hospitals, orphanages and schools. The event was covered by television and radio, which created an immediate demand for our product." The rest is history. The Mister Donut Corporation not only succeeded in Japan but has also succeeded in eight other foreign markets with approximately 470 international units to date.

International Flights



Strict requirements . . .

For some companies international expansion is a painstaking process. Kentucky Fried Chicken, for example, is very selective about the countries it chooses for its international franchises. Clara Lamkin, director of public affairs, explains the detailed screening process.

"Before expanding to a country, we look at political and economic stability, the size of the urban population and the national per capita income," she says. "If a country passes the basic criteria, we begin an assessment that evaluates general business practices, restrictions on foreign investments, franchise trademark protection, license agreements, royalty and dividend repatriation, pricing control and labor quality and cost."

"After all those factors are found to be satisfactory," Lamkin continues, "we devise a detailed action plan that covers every aspect of the operation, including preliminary business concepts, site selection, menu design, target customers and marketing plans."

At Bob's Big Boy, international expansion personnel look at economic levels and eating out patterns. "We want to find out who can afford to eat out once in a while, several times or fairly frequently; who eats out and what their patterns and habits are; and the transportation modes of a country," says Roy Raskin, vice president of Big Boy franchises. "We also look at the percentage of working women in a particular country. That factor is very important to the success of our restaurants," he admits, because women who stay home are more apt to cook the evening meal.

Burger King also follows a specific country selection plan, although, according to Sheldon London, vice president for franchise development systemwide, each country is an individualized situation with different needs or problems.

"We spend a substantial amount of time and research before we decide to enter a country," London explains. "This process can take anywhere from 12 to 18 months because we need to target a certain market population and then pinpoint a town and general area in that country."

"We also have to find out where our products will come from and if they would be readily available and at what cost," he continues. "A lot of items are needed to start a Burger King franchise."

For other companies, like Long John Silver's, the selection process is fairly straightforward. "We try to pick countries that are in the free world, that have viable economies and that are logistically efficient for shipping products in and out," reports Gene Getchell, vice president.

How to choose a franchisee . . .

Although some foodservice companies are sought out by international investors, this does not happen all the time. As a result, many companies with an eye on the international marketplace have formulated policies for franchisee selection.

Pizza Time Theatre will not franchise to anyone unless they have considerable foodservice experience in the country where they want to franchise. "A franchisee must meet our criteria," maintains Jack Campbell. "If they don't have a lot of knowledge about the industry, we can't work with them."

Sometimes a company looks for a more diverse group of people. Mister Donut, for instance, chooses franchisees from many different backgrounds, including department store, pharmaceutical or manufacturing experience. "However," notes Joseph Dubanoski, "we require the type of person who will be totally committed to the operation. We are not interested in a franchisee who will open one shop, turn it over to a manager and never enter it again."

In addition to the above requirements, Popeye's requires that the franchisee speaks English, is a native of the country the unit will be located in and knows the customs and beliefs of that particular culture.

Training—key to overseas success . . .

Once a perspective franchisee is chosen, the next step is to teach that individual company operating procedures.

Employee training is important in any restaurant; but for international expansion, training is one of the key factors to overseas success.

The McDonald's Corporation, with units in 31 countries other than the United States, makes sure its key management personnel gain experience at McDonald's units in their respective countries and then attend Hamburger University in Oakbrook, IL, for an extensive training program before any units are officially opened. The company has established offices in overseas markets to offer support to its international franchisees.

Many companies have modelled their training programs after this successful McDonald's approach. Swensen's, for example, has an intensive three-week training course in the United States for all international franchisees and their general managers. The program includes complete "hands-on" experience. At the time of the opening, a corporate representative is sent overseas to that franchise to help train in-store employees and to assist with the grand opening.

This arrangement is also used by Red Lobster Restaurants. Red Lobster has international units in Canada and Japan. "Before any restaurants are opened, we bring a core group of individuals from our overseas units to the country for training," explains Frank Dever, director of international market development. "These individuals are taught the basics of running a foodservice operation during daily training sessions and then practice these skills in an actual restaurant setting."

"After the training is completed," he continues, "teams of American employees are sent back with them to support the initial opening and to help out if problems should occur."

At Popeye's, the international training program is especially rigorous. "Our training lasts 16 weeks in the U.S.,"

explains Terry Rhoton. "Besides the basic training, each program is custom-tailored to the franchisee's specific needs.

"We stationed one of our employees in Malaysia for two years to oversee the units in that area," he continues, "but now we believe that a native of that country is sufficiently trained to take over the job." The individual Rhoton is talking about spent 18 months training in the United States.

The Burger King Corporation sends all international management personnel to its training center in Miami, FL, for 350 hours of complete restaurant training. The company also has regional offices in London, Spain and Germany. These are fully staffed and equipped to give basic training to store employees and periodic brush-up courses.

Some glitches along the way . . .

International expansion is not without its problems. Real estate is more expensive overseas and, increasingly, many companies find they cannot build free-standing units but must take over existing structures and remodel the interior to resemble domestic units.

"Most of our overseas units are located in downtown city areas, whereas in the United States, most of our units are located in suburban areas," says Mister Donut's Joseph Dubanoski. "Suburban areas are virtually non-existent in many overseas locations so we must occupy a building that is already in place and stylize it to fit the surroundings." Operations in Japan, for example, may have a curved roof to look like other oriental buildings, while operations in Europe are given an old world look with such features as stone combinations and wood grain.

Jack Campbell of Pizza Time Theatre agrees that suburban locations are difficult to find overseas. "There isn't much land in many areas," he says. "The buildings tend to be more vertical than horizontal so we have to fit our operations into these structures."

Menu variations, although minimal in most cases, sometimes are necessary. Religious beliefs in the Middle East and Malaysia, for example, dictate the way certain foods are prepared. Pork and pork-related products are forbidden as are dairy products and certain types of shortening.

In compliance with these restrictions, Terry Rhoton reports that chicken is slaughtered a different way in Popeye's units in Malaysia. "We rely on the franchisee to be fully knowledgeable on all local customs," he insists.

Swensen's also must comply with local laws in the preparation of its ice cream in Kuwait and Saudi Arabia. "We use a vegetable substitute that we mix with water in place of cream," says Mary Schnaible, public relations counsel. "It tastes just like our regular ice cream. Nobody would know the difference."

Sometimes, to cater to regional preferences, companies will alter service or add items to the menu. McDonald's, for example, serves its Egg McMuffin all day in Japan. Dunkin' Donuts and Mister Donut use local fruits for some of their donut fillings in the Far East and Latin America. And Guss Dussin notes that while all the big sellers from his menu are the same internationally as in the United States, he has added seaweed, mussel and ginger pork into his spaghetti sauce in Japan.

In some cases, menu additions can create unforeseen advertising difficulties. Kentucky Fried Chicken discovered that its new buttermilk biscuits were not selling well in England. "Biscuit means 'hard cookie,'" explains Clara Lamkin. "It's not the kind of item that goes with chicken." The company is now trying to come up with a new name for the product.

Advice to companies seeking international markets . . .

Before a foodservice operation can put up its sign and sell food, certain business practices and licensing codes must be adhered to.

"When we remodel facilities overseas, we have to observe local electrical requirements and file with specific governmental agencies," explains John Merritt, spokesperson for Hardee's Food Systems.

This particular requirement can be especially burdensome for the company that already has equipment in place. "Our cooking and holding equipment didn't pass the stringent electrical codes in Cologne, West Germany," says Clara Lamkin of Kentucky Fried Chicken, "so we had to complete extensive in-store modifications before opening to the public."

How to purchase food supplies is another issue that must be investigated before a foodservice establishment can begin operation. Many companies try to purchase all food items locally if a supplier can be found. However, if a country cannot meet the strict standards of quality control, then the expense of shipping products into that area must be incurred by the foodservice establishment.

Restrictions on taking foreign currency out of a country is another consideration. According to Andrew Kostecka, U.S. Department of Commerce franchise specialist, "Some countries must keep dollars in their own countries to develop exports and create employment opportunities. Therefore, companies seeking to expand in overseas markets would benefit by looking to the developed nations," he maintains.

"But," Kostecka warns, "the foreign exchange rate changes daily so gross sales on any given day are difficult to predict."

Summary . . .

Despite the occasional setbacks, however, exploring the international market can be an exciting and rewarding challenge. For those foodservice companies that have done their homework, it has meant new frontiers, new markets and new profits. ❑

Editor's Note: See related story in Foodservice Trends.

The Military

New market for fast food operations

Military bases are a new expansion territory for fast food operations. Over the past 18 months four military bases opened fast food restaurants. Four more are slated to open this spring or summer in Germany, and several other locations are reportedly in negotiation. The acceptance of fast food operations on military bases offers the maturing fast food business 2,500 potential new sites worldwide. And for a generation of young people nurtured on hamburgers, fried chicken and pizza, the move will provide a familiar touch of home for military personnel.

First venture in October 1982 . . .

Burger King was first to open a military venture in October 1982 at Pearl Harbor Naval Base in Hawaii. The location, with eating space for 120 and an outside patio, is owned by the Navy but leased and operated by a Burger King franchisee. The Navy provided the shell and gets a percentage—somewhere between eight and 15 percent of sales for leasing the space.

In early 1983 the Marines opened their first McDonald's at Camp Pendleton in Oceanside, CA, following the same format. The Marines lease to a franchisee, who operates a number of McDonald's restaurants in the surrounding area. Today, a year later, that location is one of the highest volume McDonald's anywhere in the U.S.

Burger King made its second entry into the military market by winning a contract with the Coast Guard for their Governors Island facility in New York. With a base population of 5,000, including a training facility and civilians, the operation has been well received. According to L. Cdr. Phil Cappel at Governors Island, "We had more profit in the first three months than we had the entire year before with the previous snack bar and cafeteria." Cappel projects yearly sales to go over one million dollars for the unit. The Coast Guard leases the unit for nine percent of sales to a local Burger King franchisee, Consumer Food Service, Inc., of Fords, NJ.

Based on their success at Pearl Harbor this past December, the Navy opened its second venture, this time using a regional hamburger chain, What-A-Burger, at its Corpus Christi, TX, Naval Air Station.

By the end of June 1984, the Army and Air Force Exchange Service will open four test sites in Germany on Army bases in Ansbach, Mannheim, Frankfurt and Neu-Ulm. Following this test, the Army and Air Force Exchange Service plans to test some sites in the U.S. as well. Final details on the contractual plans are sketchy, but Army and Air Force spokesman Ron Wulff in Dallas explained, "We have decided to assume the role of franchisee." Each of the four European test sites has seating capacity for 80 to 110.

Still in the initial stages of their decisionmaking, the Army and Air Force Exchange Service is currently interested in fast food franchisors who operate in every state; but they said, "We are willing to talk to anyone." Apparently, all of the larger chains have been in touch with the various military services, and as Mary Maguire, spokeswoman for Marriott's Roy Rogers puts it, "We are really looking at the military market."

The Army and Air Force Exchange Service currently has 2,300 outlets worldwide doing $336 million in sales. The units come in great variety—from mobile food vans and movie theater concessions to snack bars and cafeterias.

45 potential installations in the Navy . . .

Director of Public Affairs for the Navy Exchange Service John Russas explained, "Out of our 134 activities worldwide, we have projected a potential market of 40 to 45 installations suitable for fast food operations. In particular, the 90 U.S. bases are our target areas."

The Coast Guard has 21 bases, but according to Ralph Driscoll, program analyst at Coast Guard headquarters, "not all 21 are large enough for a fast food restaurant." Driscoll named bases at Cape Cod, MA; Kodiak, AK, and the Air Training Center in Alabama as large enough to be sites.

There is great incentive for considering the fast food alternative. The whole military exchange system—Army, Air Force, Navy, Marines and Coast Guard—is self-supporting. They operate on what is called non-appropriated funds from Congress, which means they must repay their operating expenses each year. Earnings above this amount are used for two purposes: (1) new capital expenditures and (2) contributions to the military Morale, Welfare and Recreation fund. Although they have done fairly well in the past, exchanges have noted the success of the franchise operations.

With the average age of military personnel estimated at 22 years, it looks as if there may be a real future for fast food restaurants on military bases. The feeling in the services seems to be that the instantly recognized, well advertised, consistent fast food product is what the soldier of today wants.

—Kathy Boyle

How to franchise your restaurant concept

by Kathy Boyle

Franchising as a business relationship and a technique for expansion has many zealous supporters. And for good reason. It offers many benefits. First, franchising cuts down on the costs of expansion. The franchisee provides the money to buy and operate the local business; and once the franchisee gets started, the franchisor receives a percentage of the gross revenue.

Second, management of day-to-day operations is delegated. It becomes the franchisee's responsibility to run his or her operation profitably. Thus the franchisor is not burdened with the difficult task of dealing with new employees, suppliers and other management details that would normally be part of an expansion program.

Finally, market penetration is accomplished much faster through franchising. Using the franchisee's money means more restaurants can be opened more quickly. "Becoming a franchisor," says Dick Mattocks, vice president of franchising and real estate for the Roy Rogers division of Marriott, "can allow you to grow quickly and simultaneously in several geographic markets." With a new idea, beating competitors in the race to new markets can really make a difference.

Don Seidholz, director of marketing for El Pollo Flojo (The Lazy Chicken) in Phoenix, AZ, a new franchisor, agrees. "We are capitalizing on the surging popularity of Mexican style chicken and have opened three units in the last month." Quick penetration of other target markets, such as California, begins next month.

For some operators, converting company-owned restaurants to franchised units can allow faster growth. In some cases, it may be the only growth alternative available, particularly in today's expensive money market. Franchising through existing facilities allows a company to sell off company units and realize an infusion of needed capital while retaining ongoing profits in the form of royalties and continuing service fees or profit on product sales. The day-to-day management problems in the company units are then transferred to franchisees who have the interest and the desire to build their own businesses.

Should you franchise? . . .

It is not easy to move from the decision "I'm going to become a franchisor" to actually becoming one. It's a complicated undertaking. According to Tom Feltenstein, president of the American Restaurant Marketing Group in Palm Beach, FL, "It's very expensive, and it takes time." Based on his many years in the franchise industry, Feltenstein created a step-by-step chart that follows a franchisor from the day he or she decides to become a franchisor until opening. "The chart covers the entire wall and has about 300 steps," says Feltenstein.

A good place to start on the 300 or so steps it takes to become a franchisor is to take a good hard look at what you're doing now. Review current operational procedures and marketing techniques. Evaluate them in terms of their franchising feasibility. A full review of financial controls, operating statements, marketing characteristics, expenses and profitability should be made with special emphasis on the distinctive aspects of your business.

Thoroughly research the franchising potential of your specific industry niche. If you are an upscale, white tablecloth restaurant, do you have franchising potential? Experts seem to agree that elegant restaurants are not as franchiseable as more homespun operations because they require great individuality. Franchises, on the other hand, rely on uniformity—fulfilling

If your restaurant is doing well and you want to expand, how do you go about it? You can add more restaurants under your ownership, look for partners, turn over some of the ownership to employees or become a franchisor and replicate your concept. Here is a look at when and how to franchise a restaurant concept.

customer's expectations in the same way, time after time.

Although unique restaurants are difficult to franchise, a franchise concept can break new ground. With a new product, it might take time to build up a clientele, but it can be done. For example, when Long John Silver's began in 1968 and 1969, fish and chips were new to the country.

A franchise concept also need not be simple. According to Seidholz of El Pollo Flojo, "Everything on our menu is fresh. The concept requires long hours and hard work. Our kitchens operate 20 hours a day with everything made from scratch."

Often procedural changes can improve franchising prospects. Don't hesitate to change equipment or streamline a menu for greater efficiency. In some cases, those changes can make a marginal franchising concept a highly successful one. Careful planning of operating procedures by a franchisor can also make a big difference. For consistency of special recipes, for example, premeasured and premixed seasonings can be bought in volume by going to seasoning houses with the exact specifications.

A solidly tested concept can last for years. Taco Bell's California mission-style building "has remained virtually intact for 20 years," reports Margaret McKeon of Taco Bell. "The concept was developed out of three previous restaurant concepts—El Taco, Taco Tia and Bell's Drive-In—by Taco Bell founder Glen Bell. For most operators, however, it isn't that easy. According to Gene Getchell, vice president of franchising for Jerrico, Inc., owners of Long John Silver's, "We are into the 21st version of the building. Successful franchising is an evolving process."

Develop a positioning statement . . .

Develop a positioning statement. Where will you fit in the marketplace? Who will be your customers? What will they spend? What makes your concept unique? How long a life cycle does the concept have? For example, will the public's current fascination for healthy, nutritious entrees shift back to heartier meals?

How do you plan to expand? Will you look for single unit operators or assign franchise rights to a specific geographic area, or both? A comprehensive site selection program can help prevent unnecessary failures. Most successful franchise operations have designated high potential market areas that received priority efforts in their program. Before El Pollo Flojo began franchising last September, the company had determined that the Phoenix market alone could support 27 to 30 units.

If, at this point, you find your business franchiseable, begin to develop guidelines for a franchise development program. You should consider planning, production, packaging, pricing, promotion, advertising, buying, selling and competing—in short, all the elements of the marketing system.

> ***The characteristics vital for success in any franchising endeavor include experience, strong financial backing, good management and good reputation.***

You will need a trade name, a logo and a distinctive image as well as standardized products, services and operational procedures. Be prepared to research and test each step of your concept in the marketplace and make plans early to provide a trouble-shooting support system for fledgling franchises.

Things have changed quite considerably from the days when Kentucky Fried Chicken (KFC) founder Colonel Harlan Sanders would clinch deals with a handshake. Even then it took years of traveling to get his business started. "He traveled coast to coast with his wife," remembers Nancy Bishop, manager of press relations for KFC. "He'd go into a restaurant, talk to the owner, then take off his coat and go back into the kitchen and cook. His wife, who wore an antebellum dress, would stay upfront and talk to customers about the unique product. On a handshake agreement, the Colonel would allow the restaurateur to use his recipe—giving the Colonel a nickel for every chicken sold. The road test worked. By 1964, when he sold his business, 600 stores were using his recipe."

Today it takes considerably more financial savvy to get a franchise started.

Evaluate financial needs . . .

Evaluate your financial needs by determining

1. your overall financial requirements
2. the types of funds needed—equity versus debt and
3. possible loan requirements and how they can be met, whether by private or public placements, merger or acquisition or Small Business Administration assistance.

The characteristics vital for success in any franchising endeavor include experience, strong financial backing, good management and reputation. For example, in its promotional material El Pollo Floja emphasized the owner's combined experience of more than 35 years in the restaurant business.

If the franchisor is reputable, the franchisor's credit rating and track record may help prospective franchisees obtain financing. The size of a franchisor, however, need not be a controlling factor for success. Many small companies are well-managed, successful franchisors with very successful franchisees.

Be ready to explain to prospective franchisees how you plan to achieve the same success in a different geographic area. Will you devote the capital and effort needed to launch a franchise in a remote area?

Formulate franchisor policies . . .

To create a workable franchising program, a variety of decisions must be made on such topics as training, supervision, financial controls and the purchase of equipment and supplies by franchisees. How much initial training will you provide the franchisee? How much refresher training? Will you provide some kind of centralized bookkeeping, accounting and data-processing service for the franchisee? Are there signature sauces that franchisees must purchase from a special supplier? Resolve these questions early. Don't wait until there are misunderstandings, hard feelings, or worse, legal action. How you formulate your franchising policies will depend on federal and state laws, your efficiency and profitability expectations as well as on current standards in other franchises. "If everyone is selling nachos in the marketplace, you want to have nachos," says Margaret McKeon of Taco Bell, which is a firm believer in new products development and averages two new products a year. "We constantly test items for our franchisees. Our marketing people go into restaurants quizzing customers."

Once you decide what services to offer franchisees, fees and royalties must be determined. The franchise fee can vary widely—from as low as $10,000 to as high as $400,000. Weigh costs and current market conditions. If the main menu item is a product that fluctuates in price, build a cushion into the pricing and fee structure. Cooperative advertising fees for franchises must be based on need and current practices. For example, regional TV advertising support for a franchisee might hinge on a certain number, say five, franchises operating in that specific location.

The legal aspects . . .

Be sure to consult a lawyer who knows trade regulations and the Federal Trade Commission rules on franchising as well as specialized franchising requirements in various states. Disclosure statements alone can run 30 to 40 pages.

The cornerstone of franchising is the legal use and protection of your name, trademarks and logos. Lawyers can do a thorough name search, which should eliminate legal challenges.

One expert in the franchising area, William H. Manger, president of Franchise Solutions in Rolling Hills Estate, CA, suggests forming three separate corporations to comply with state and federal law

1. *Wholly-owned holding company of the owner.* This company, either private or public, can offer stock to raise capital for greater market thrust.
2. *Wholly-owned subsidiary #1.* This company owns all company-owned restaurants, names, trademarks and logos that are licensed to the third corporation.
3. *Wholly-owned subsidiary #2.* This company is actually the franchisor, selling franchises and administering the franchise system.

According to Manger, this system can be advantageous for both auditing and bookkeeping purposes and to keep records straight in case of court actions from disgruntled franchisees.

Develop an agreement . . .

The franchise agreement is the legal document serving as the main link in the franchisor/franchisee relationship. It must be tailored to give the franchisor's business concept full protection. After a franchise is sold, it is the only legal basis for quality control and uniformity of operations—vital ingredients of a successful program.

> ***Experts seem to agree that elegant restaurants are not as franchiseable as more homespun operations because they require great individuality.***

The franchise agreement should spell out the full services you will provide to the franchisee and state precisely what obligations the franchisee has to you. It covers subjects such as location, trademarks and their use, training, advertising, adherence to the operating manual, maintenance and repairs, required modeling of the franchisee's establishment, accounting and records procedures, standards of quality, termination, defaults and transferring of franchise ownership.

Although a franchise agreement is a precise legal document, it is totally worthless unless it is based on a thorough understanding of your business and its operations.

Develop a disclosure statement . . .

The disclosure statement you show to prospective franchisees must meet Federal Trade Commission requirements as well as those of any state where the company intends to register as a franchisor.

The disclosure statements include financial information about the franchisor and full disclosure of obligations of both franchisor and franchisee. Either of two formats can be used: the uniform franchise offering circular (known as UFOC) or the Federal Trade Commission format.

Types of information required by the Federal Trade Commission

1. Identifying information about the franchisor, such as address, subsidiary of, trademarks and service marks
2. Business experience of franchisor's directors and officers
3. Business experience of franchisor, brief past history of business and any new ventures
4. Litigation history—both pending cases and concluded cases
5. Bankruptcy history
6. Description of franchise, including type of building structure, menu and risk factors
7. Initial funds required to be paid by franchisee, including land, building equipment, inventory, working capital and franchise fee
8. Recurring funds required to be paid by a franchisee, such as royalties, advertising fees, insurance coverage, delinquency charges, upgrading, remodeling, renewal fees and transfer fees
9. Affiliated persons the franchisee is required or advised to do business with by the franchisor
10. Obligations to purchase food and type of equipment required
11. Revenues received by the franchisor in consideration of purchases by a franchisee
12. Financing arrangements, whether offered or not
13. Restriction of sales, such as an agreement that no other franchises are to be sold in immediate area
14. Personal participation required of the franchisee in the operation of the franchise
15. Termination, cancellation and renewal of the franchise which spells out the length of the agreement
16. Statistical information concerning the number of franchises and company-owned outlets, how many restaurants you now operate
17. Site selection—in other words,

who selects site or site acceptance policy

18. Training programs, training requirements and courses and
19. Financial information concerning the franchisor, usually three years of financial statements

The operations manual . . .

The operations manual is the so-called bible of the business. Usually one or two volumes long, it is given to every franchisee. The operations manual synthesizes operations, procedures and philosophy and works to create uniformity throughout the whole network of franchises. It includes such vital information as trademark protection, working hours, recipes, inventory control practices, accounting procedures and royalty payments. In some states the manual must be submitted as an exhibit before franchises can be sold.

Create and implement a sales and marketing program . . .

Finally, you are ready to sell your concept. But first you must identify what type of person will buy your franchise—this person's net worth, professional background and vocational interest. Creating a profile of your buyer by geographic location will help in planning sales and marketing strategy in each new market.

Once you have this profile, you can prepare your franchise brochure. The brochure should describe the business opportunity you offer, your concept and how that concept has been carefully tested to succeed. It substantiates the seller's credibility by mentioning the years of experience the franchisor owner has in the restaurant business. The brochure should appeal to prospects who are eager to be in business for themselves.

The brochure is just one component of a marketing plan. Ads, direct mail promotions and a listing in the annual *U.S. Commerce Directory of Franchising Opportunities* are other important steps. In some cases advertising materials must meet state and federal guidelines or be approved prior to use.

In conclusion . . .

Your well-run restaurant could serve as the prototype for a successful franchise operation, but it's going to take money and work. Even after every detail has been specified, every procedure standardized and every legal requirement met, the process will continue. The way new franchisees operate their units will reflect on your company's name and image.

Although it costs a great deal to become a franchisor, the potential rewards are substantial. In 1984, franchise restaurant sales are projected to reach $44.1 billion. According to the Department of Commerce, the success rate for businesses owned by franchisees continues to be significantly higher than those owned by independent businesses. The hard work and risk involved in franchising a restaurant concept has a great potential for payoff.

Editor's Note: *The opinions expressed in this article are those of the author and do not necessarily reflect NRA veiws.*

Franchising is a partnership

by Tom Feltenstein
President, American
Restaurant Marketing Group,
Palm Beach, FL

To be successful, franchising is a partnership that must be based on much more than a series of legal phrases contained in a franchise agreement. It is a partnership that, in a very real sense, is a living, breathing entity—one which is well-founded on the experiences of the past but which is ever responsive to the demands of change.

It is a partnership based on three important factors: mutual trust, the franchisee's willingness to support the direction of the parent company, and management's willingness to assume the responsibility of leadership.

Trust comes from the understanding that both franchisee and franchisor have common objectives that are so intertwined that anything that harms one of them inevitably will damage the other.

A working mutual trust relationship means that both parties understand that they have an obligation to share the risks, the sacrifices, the investments and the profits for the good of the whole system.

Although demonstrating a willingness to support the goals of the parent company may seem to run contrary to the entrepreneurial spirit of franchising, the best entrepreneurs know they can't succeed alone. They need the advantage of the best expertise available, and that often comes from the parent company.

Willingness to accept direction doesn't mean blind subservience. Rather, it implies respect for the expertise a franchisee buys as part of its franchise and the confidence that the company offers more total expertise than any one person could individually acquire.

Because franchising is a partnership in every aspect, the parent company has responsibilities of its own. The company must commit itself to earning the respect of its franchisees. It is the company's duty to provide the best expertise to its franchisees and to give them the most responsible leadership in every area of the business.

It is the responsibility of the company's leaders to dedicate themselves to being as right as possible, as often as possible. Franchisees must feel secure in the knowledge that the company is willing to submit to a system of checks and balances before it commits its system to a new direction.

When both franchisee and franchisor live up to the demands of such a partnership, the result is likely to be profitable: Fewer than four percent of all franchised restaurants shut down each year, according to the U.S. Department of Commerce. In fact, restaurant franchising just may offer the best of both worlds—entrepreneurial freedom plus the services and know-how of the franchisor.

Getting the *nutrition* word out

by Patricia B. Kelly
Director of Communications, Public Voice

So you've cut back on the fats, salt and calories on your menu. What do you do next? Describe, promote, publicize. Get out the word.

If restaurant patrons' interest in nutrition is peaking, so is their need to know more about it. And trend-setting restaurants across the country are combining healthful fare with healthy doses of nutrition information.

According to the "Nutrition and the American Restaurant" report,* a major trend (second only to the healthy food itself) is the effort to communicate with customers about health-oriented aspects of restaurant food. These programs range from simple calorie counts on restaurant menus to coordinated advertising campaigns, and they take place both in and out of restaurants.

Inside their operations restaurateurs are using the traditional menu and a host of non-traditional materials to talk about nutrition. Often staff members become promoters too. Outside, restaurants have discovered the value of nutrition as an advertising or promotional tool. And the larger chains and hotels have combined internal and external promotion efforts into attractive, innovative and successful information packages.

Start with the old standby . . .

While the American restaurant menu has been undergoing major changes in recent years (sometimes being phased out altogether in favor of chalkboards and waiter recitations), it is still the main source of information about restaurant food. When it comes to nutrition, restaurants are using the old menu in new ways.

Some have set aside special sections for special food offerings. Examples include Madame Wu's Garden in Santa Monica, CA, whose menu features a "long-life diet" section devoted to offerings that follow the Pritikin Diet. The Parsippany Hilton in Parsippany, NJ, offers "health favorites" in a section of its dining room menu and "fitness first" entrees in a section of its coffee shop menu. Even the exclusive Trianon Room of the Helmsley Palace in New York City offers a luncheon menu with a special section: "Mrs. Helmsley recommends low cholesterol, no salt recipes."

Other restaurants list information about particular components of their food offerings, such as calorie counts (the most popular nutrition information) and, sometimes, nutrient breakouts. El Taco Grande in Philadelphia, PA, shows calorie, protein, carbohydrate, fat and fiber content for each dish on the menu (except desserts). Joe Theismann's Restaurant in Falls Church, VA, provides calorie, sodium, fat and carbohydrate counts for all items.

Consumers don't want too many specifics . . .

Jock's Bar & Grill in Chicago's Lakeshore Centre health club used to feature a unique variation of this approach. Besides listing a calorie count for all entrees on the menu, Jock's also listed a chart of "calories-equated-to-sports" for most menu items, which explained how long it would take to run, swim and play tennis or racquetball to burn off the calories consumed. Example: A woman who weighs between 110 and 120 pounds and ate the steamed vegetable platter (322 calories) would have to play racquetball or jog for 27 minutes, swim for 37 or play tennis for 53 minutes to "work off" the calories in the platter.

The "Jock's Concept" was phased

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out after two years, however, and consumers surveyed in the "Nutrition and the American Restaurant" study agreed that Jock's approach provided more specific information than they found useful on a restaurant menu.

Another informational effort used by many restaurateurs is to cite selected menu items through indicators, such as the American Heart Association's heart and torch logos and their variations. The Hungry Tiger chain, headquartered in Los Angeles, CA, places tiny hearts beside listed foods that meet heart association dietary guidelines. Other devices include asterisks, used at the Chase Manhattan Bank's Executive Dining Room in New York City to denote dishes prepared in conformance with a cardiovascular program; and tiny artichokes, used by the Helmsley Palace's Trianon Room to indicate items selected for the season.

General statements offer the most flexibility . . .

General statements on the menu also are popular, and they afford the most flexibility to restaurateurs. Nora's of Washington, DC, uses a general statement on the back of the menu to explain the restaurant's food philosophy: "We thought you would be interested in knowing where we have found the very special ingredients to prepare the meals which we serve. . . ." And Jerome's, a fresh food restaurant in Chicago, IL, states on its menu: "Since we are animated by what's on our plate, we try to keep that fuel fresh and pure, avoiding chemicals, preservatives and processed foods. We bake our own breads and desserts, simmer our own stocks and blend our own mayonnaise. . . ."

The general statement also can qualify menu items or describe variations of dishes, as Hungry Tiger does in explaining that some of its seafood entrees would meet Heart Association guidelines if taken in smaller portions.

Finally, the separate menu is becoming increasingly popular as a means of presenting and describing more comprehensive nutrition programs. This relatively expensive approach is most often used by hotels. Hilton's "Fitness First" programs, Stouffer's "Light & Lean" and Marriott's "Good for You" all feature separate menus that present and describe programs of healthful offerings. Often these menus combine other informational approaches as well, such as general statements of philosophy, indicators of particular items or special sections for specific dishes.

The Stouffer "Light & Lean" menu, for example, explains the use of fresh ingredients and the calorie count for the listed items. It also invites diners to ask for the hotel's "Tips to Healthy Eating" brochure. Marriott's "Good for You" menu describes the program's affiliation with the American Heart Association and Fleischmann's margarine and indicates the Fleischmann products used in listed dishes.

Other "inside" approaches . . .

Other kinds of materials describing nutrition programs in restaurants also have become increasingly creative. Chapman Sisters' Calorie Counter in Chicago, IL, lists its menu (with calorie counts) on a board above the cafeteria line, which is duplicated on a carry-out flyer. The American Heart Association has developed a range of pieces to go with its "Creative Cuisine" program, and many of its chapters have created materials with a regional focus. The pieces include table tents, window decals, customer pamphlets and guides. Hungry Tiger, for example, used a table tent to introduce its Valentine Day special with the slogan, "It's good for your heart."

Corollary materials also are becoming more widespread. Posters, for example, often direct patrons to other kinds of information or the availability of a nutrition program itself. Booklets on fitness or pamphlets listing recipes from a nutrition program are an integral part of hotel nutrition efforts. Marriott handed out an "Executive Health Guide" as an introductory piece when it began its "Good for

You" program. And Hilton is an example of a program that has gone the whole informational route. Its "Fitness First" program included separate menus, corollary materials and other restaurant pieces. When the first promotion ended, Hilton used its regular menu to feature continuing "Fitness First" entrees in a special section.

Franchises offer nutrition materials . . .

Some fast food chains have joined the information parade with their own special entries. McDonald's, for example, has used tray-liners, bag-stuffers and posters as vehicles for nutrient information about its food items. The chain also has developed other materials for patrons, including a "Good Food, Good Nutrition and McDonald's" booklet, a pocket-sized "Diabetic Exchange Card" and a wallet-sized "Sodium and Calorie Counter."

The good news for many restaurateurs is that they don't necessarily have to develop information materials themselves if they don't want to. Programs like "Creative Cuisine" provide a range of materials, usually free of charge, and restaurants also can join efforts with other health or food groups to produce joint materials. San Francisco Consumer Action, a local consumer advocacy organization, is working with the Fisherman's Wharf Merchants Association and Standard Fisheries Corporation, a seafood distributor, to develop nutrition information pieces.

External promotion—publicizing the program outside the restaurant's environs—usually occurs through the media. The larger restaurants and hotels are especially adept at getting out the word.

Hilton is a good example. When the hotel chain introduced its "Fitness First" program in 1980, the running craze was at its peak. To use the fitness connection, Hilton employed Olympic Marathon Gold Medalist Frank Shorter to promote its program. Shorter's image appeared on the original "Fitness First" menu and press folder, and his advice on good health and fitness was printed in an accompanying brochure.

Restaurants also have used advertising to attract customers for their nutrition programs. Jonathan's in Chicago, IL, does promotions and advertising geared to the special health needs of its elderly clientele. In Los Angeles, the "Dine to Your Heart's Content" program uses a collective advertising approach to attract patrons to its participating restaurants as well as to attract restaurants to the program. "Heart's Content" offers new restaurants cut-rate monthly advertising through a consortium effort coordinated by the L.A. Heart Association. The *Los Angeles Times* advertising co-op department helped train program volunteers to market and promote these ads.

Using nutrition to advertise . . .

Nutrition also has figured in the advertisements and promotions of an increasing number of fast food chains. Burger King's "Eat a pita" (a pocketful of salad) campaign is a current example. And, in 1981, McDonald's test-marketed a series of ads that offered nutrition information about its products. The ads—offering standard calorie, protein, carbohydrate, fat and sodium disclosures based on U.S. Recommended Daily Allowances—appeared in newspapers and on television.

Finally, some chefs have become celebrities and regularly participate in media events that attract publicity for their restaurants, including television talk shows or guest chef appearances. These include Wolfgang Puck of Spago in Los Angeles, CA, and Jeremiah Tower of the Santa Fe Bar & Grill in Berkeley, CA. Sylvia Wu of Madame Wu's Garden in Santa Monica, CA, believes it is the responsibility of restaurateurs to promote their programs; she does so whenever possible. These and other trend-setting chefs and restaurateurs have helped create the nutrition movement in restaurants. The next step is to build consumer awareness that it exists. ❑

Business meal deduction

the other side of the story

Politicians have done quite a job on the business meal. It is depicted as a boondoggle, a perk for the fat cat, a rip-off of the taxpayers. Even its defenders call it the "three martini lunch." Yet martinis are rarely—if ever—ordered. Usually, the business meal is a sober, productive event—one that is essential to conducting business.

"There are small business men and women all across this country who do all their selling across a formica table in modest restaurants on Main Street. They may not have an office. They certainly don't have a promotion budget. Their one essential business expenditure is the business meal," says retiring NRA Executive Vice President Bob Neville.

There are others who do have offices—pretty decent ones at that—but find that they get their work done most effectively when they sit down with a client over a meal.

"Last year NRA calculated that reduction or elimination of the business meal deduction would cost the foodservice industry approximately 100,000 jobs and two billion dollars in sales. It would force many downtown restaurants into bankruptcy," says Neville.

More generally, it would deprive Americans of a way to write off a legitimate business expense.

Getting people away from office interruptions . . .

Marvin Leffler agrees. Chairman of the National Council of Salesmen's Organizations, an association of 50,000 salesmen, Leffler says, "The business meal conjures up an image of big businessmen living off the fat of the land. But that is not the way it goes."

According to Leffler the purpose of such occasions is to get people away from office interruptions so they can sit down one-on-one and convince, sell or brainstorm.

For Leffler it's a chef's salad or omelette eaten gradually as he concentrates on selling his product to a customer. "Lunch is work time," he says. "There's not much enjoyment in it if you're doing it five days a week."

A certified public accountant, Tom Huntzinger of Hanover, PA, thinks the quality of a lunch can be measured right on the dotted line. A managing partner with Huntzinger, Miller and Associates, he represents a lot of entrepreneurs who need start-up money for new ventures. "I had a manufacturing client who had trouble negotiating with a bank. I said, 'Why not have lunch with your bankers and talk about it?' We had a two-hour lunch and the problems were resolved." Lunch was a bargain. Huntzinger's client landed a $1 million loan, and the tab for six people came to $60. As often is the case, there was no bar tab. This figure is in line with results from a soon-to-be released NRA study that reports the median per person check size at a business lunch is $8.40.

David Grant, a New York public relations consultant, alternates between simple and inexpensive fare served at Chinese and Italian restaurants and hamburger eateries and rich French food when it's a client's fancy.

"One of the best business lunches I ever had was in Central Park. We ate a couple of hot dogs and as I recall I paid," Grant remembers. His guest, a producer of a highly-rated radio talk show, later booked Grant's client to discuss real estate.

Grant began having business lunches 10 years ago when he unceremoniously opened for business in a one-bedroom apartment. "I had one client when I started out in August 1974. I called an ex-boss of mine and said, 'I was thinking of going out on my own, do you know of any business?' He said, 'Why don't we have lunch?' This told me he wanted me to meet somebody." That somebody turned out to be a valuable contact for Grant.

Hard and fast lessons about the business meal . . .

Along the way Grant learned some hard and fast lessons about the business meal. Lesson #1. Don't drink anything alcoholic. "You might say something very foolish or fall asleep and either way that's bad for closing a deal." Lesson #2. Eat out regularly. "The business lunch has an air of informality that is very conducive to getting business done—it's away from the phone. There are fewer distractions, and people tell you things they wouldn't say in the formality of an office." Lesson #3. Pick up the tab. "The cost is small for the goodwill it builds."

Down in Vidalia, GA, a town of 7,000 people famous for its onions, the pace is more leisurely than in the Big Apple, but the business meal is no less important. Says shoe retailer Benjamin Smith, the persona of Southern hospitality, "Business entertainment helps me to relax after a rough day and helps me create a better rapport between me and my suppliers. This translates into profits for the business."

Cultivating special sources and suppliers...

Smith takes out the salesmen for a quiet dinner at the Moose Club, Elks Club or a local beef or seafood restaurant where they talk shop. Before he does any buying, Smith has a battery of questions for his guests: Who's got the leading shoe? What's the forecast for pumps, sandals or heels? What colors are going to be good—pastels or hot shades? What kinds of clothes, accessories, colors and styles will coordinate with the shoes?

Smith figures his suppliers can help him keep a pulse on fashion and other business trends. "They go to places from Washington, DC, to Wisconsin, and they visit factories. I've found from years of experience that they know what's going to sell and what will be borderline," he says.

Even with inside information Smith can make a mistake, but generally he's lucky. All he does is call his contacts, tell them he's in trouble, and they come to his rescue. There was the time when Smith was stuck with

The business meal is a sober, productive event—one that is essential to conducting business.

$14,000 worth of high-fashioned shoes that didn't appeal to his small-town clientele. "A supplier said, 'Let me see what I can do,' Smith recalls. He found someone who needed the style right away because it was a great shoe for them. The guy said if I sent the shoes, he would take every pair at the regular price." Occasionally, Smith has the opposite problem. "If I can't get what I need, a salesman will find it for me," he explains. "That's because of the special relationship I've developed with them over the years."

James Strodes, a Washington financial correspondent for a series of European newspapers, also must bank on loyalty if he is to continually break stories for publications that his sources rarely, if ever, get to read. He dines out for lunch at least twice a week when he is meeting people for the first time whom he wants to cultivate as sources and to retain contact with others who have been helpful in the past. He also goes to breakfast with people he wants "to see on a certain urgency and certain confidentiality." It's a good way to gain an extra hour of the day.

Not long ago, his lunch dates with two sources paid off in a "two-for-one" exclusive that appeared in the Sunday *Telegraph*. "It took the *Wall Street Journal* two weeks to get that story," Strodes smugly recalls.

A legitimate cost of doing business...

The business meal deduction is easy to vilify. It is an easy target for the witty news commentator, and therefore a vulnerable target for the revenue hungry legislator. And yet business meals remain a legitimate cost of doing business—as legitimate as advertising and promotional expenditures. And for some it is the only advertising or promotion expenditure that is possible. ❑

Where the term "*three-martini lunch*" came from

The truth can finally be told. Former President Jimmy Carter was not the first person to use the term "three-martini lunch."

William Safire's *Political Dictionary* (2nd Edition) reveals the origins of the liquid lunch term. It was speechwriter Roland Page who coined the phrase as "a symbol of tax unfairness" at a keynote speech of the Democratic National Convention in Miami Beach, FL, on July 11, 1972. The first to deliver the populist proclamation was former Florida Governor Reuben Askew who zinged the system that has "forgotten the American man or woman in America today. What can we expect them to think," he asked, "when the business lunch of steak and martinis is tax deductible but the workingman's lunch of salami and cheese is not?"

McGovern later got applause and network coverage for refining the sentiment when he told some Pittsburgh steelworkers: "The rich businessman can deduct his three-martini lunch, but you can't take off the price of a baloney sandwich . . . although the end result of your work is exactly the same."

The story didn't end there. Democratic candidate Carter used the term at the start of his campaign, beginning with "expense account lunch" and then adding martinis. Carter called the tax system "a disgrace to the human race."

Sen. Edward Kennedy (D-MA) added another refrain after Carter won the election. "There are few more vivid symbols of the disgrace of our current tax laws than the three martini lunch."

But the restaurant industry didn't take the barb sitting down. In 1977, the Hotel and Restaurant Employees and Bartenders' Union (AFL-CIO) retorted, "Martini lunches make an appealing villain, but the martinis are made by bartenders and the meals are served by waiters after being prepared by chefs."

Finally, neo-conservative Irving Kristol got into the act on October 18, 1977, by taking exception to Carter's effort to cook the "three-martini lunch." "If you spend all your time worrying whether or not a business executive is getting a tax-free martini with his lunch," he said, "you might be very well failing to pay due attention to the obvious—that it is encouraging businessmen to make profits."

RENOVATIONS

BIG RETURN ON INVESTMENT

BY CAROL CAPRIONE

Successful, well-established restaurateurs don't think about whether they should renovate. Instead they think about when and how they should do so in the most economic and efficient way possible.

At a time when new restaurants are opening up daily and the restaurant-going public is hungry for new dining out experiences, even very successful restaurateurs admit that they can't afford to become old hat.

Renovation—ranging from major structural changes to slight cosmetic facelifts via wallpaper, lighting and floor covering—is one way to build customer and employee interest.

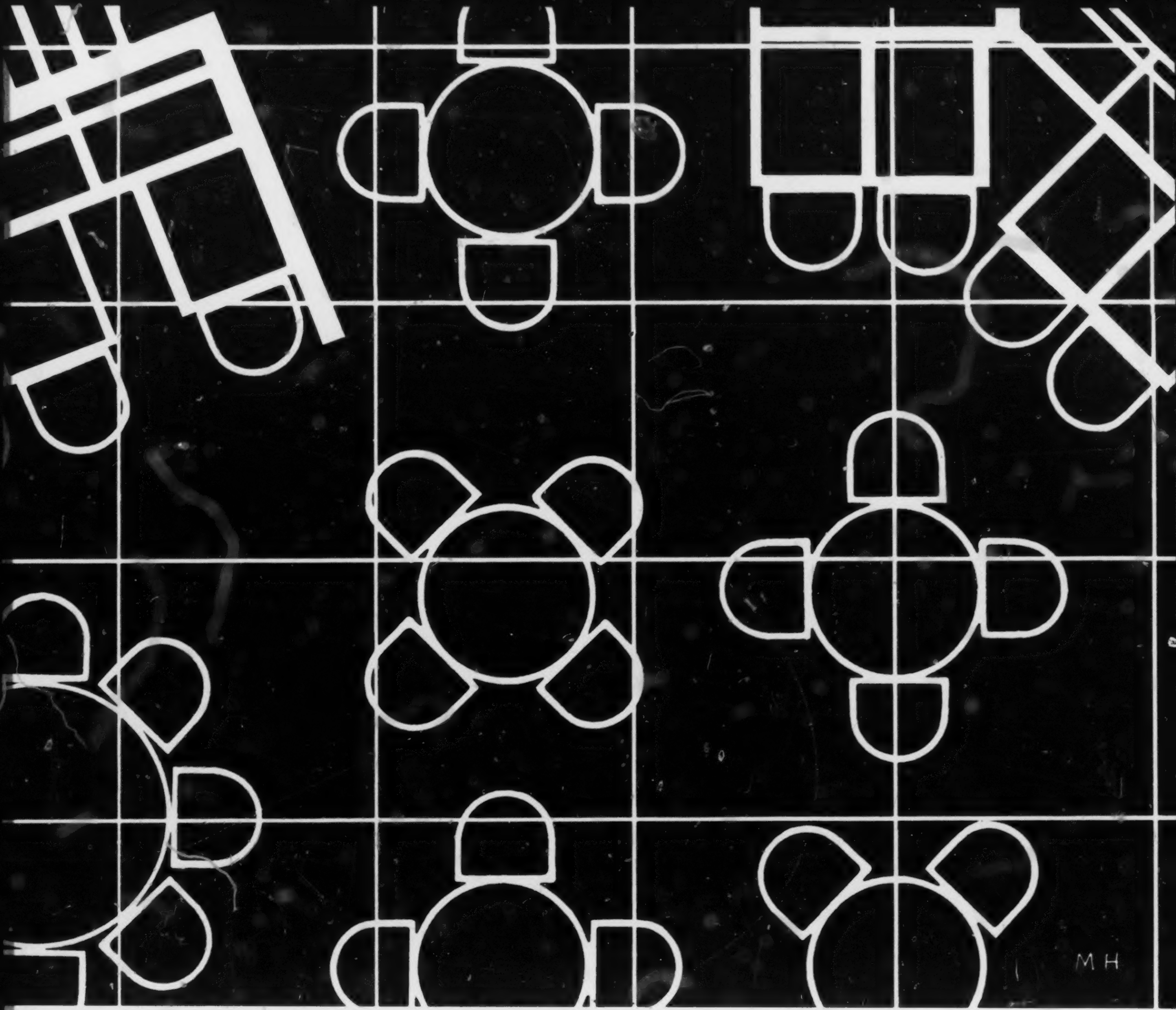
As many operators have discovered, the rewards of remodeling include an increase in traffic, a broader clientele base and a boost in employee morale.

How restaurants are revamping their image . . .

The Monocle, a 24-year-old restaurant in Washington, DC, reports an increase of 20 percent in bar business and more women customers since it changed from a dark, clubby atmosphere last fall. "Our color scheme was black and dark orange and included black leather-covered booths. Now we have a lighter, brighter look. Our colors are taupe and raspberry, and our booths are covered with a multicolored tweed fabric," says owner John Valanos. The wallpaper adds a distinctive look with its small geometric design in burnt orange, taupe, peach and just a hint of gray. It's so memorable, reports Valanos, that when it's time for the next facelift, the restaurant can create a new look simply by changing the wallpaper.

In addition to decorative changes, the Monocle was concerned with more efficient service to customers. "Before we remodeled, customers would practically fight over our booths," says Valanos. "Booths were by far our most popular seats. Now we have twice as many booths. We also took great care to make our tables more private without blocking anyone's view. People in restaurants like to look around. They find it very annoying when one person faces the wall while the other looks out."

Lawrence Fleck, co-owner of the Red Bull Inn, Pittsburgh, PA, decided



to give two of his restaurants a facelift. This was the first major renovation in more than five years and took six weeks to complete. "We wanted to change the color and atmosphere," recalls Fleck. "We used to use a lot of reds and other bright colors because that was in vogue 10 to 15 years ago. Now there's a preference for warmer tones like tan, green and brown. So that's what we've changed to. Also we wanted softer, more subdued lighting to give our restaurant a casual elegance.

"We increased the sense of privacy in our booths by bringing the lights down over the booths and changed to round tables for parties of six, instead of the more traditional rectangular shape.

"All of these changes have made our restaurant more comfortable, and this has shown up in our bottom line. Business has increased 20 to 25 percent—nearly double our five to 10 percent goal. We feel it was well worth it for us to spend the $250,000 on each of the two restaurants we remodeled."

David Migicovsky, owner of Coco's Sidewalk Cafe, Bal Harbour, FL, happily reports a 20 percent sales increase since renovating to allow greater customer visibility. Migicovsky spent $100,000 on his renovation, which included replacing two brick walls so the indoor patrons could watch the outdoors and patrons dining outside could see in. The bar was turned into a free standing structure to further increase customer exposure. According to Migicovsky, "Coco's Sidewalk Cafe is an on-going people parade. People come here to watch other people and to be watched. We are located in the midst of the Bal Harbour shops—considered to be one of the top five shopping plazas in the country."

James Kalinas, owner of the Chimes Restaurant, St. Augustine, FL, spent $275,000 on indoor and outdoor renovations that yielded him a 48 percent sales increase from January to June of 1983. "Renovating was the best thing I could have done. A lot of new restaurants have opened here recently. I don't think I would have been able to compete with them if I didn't do the renovation," admits Kalinas. Renovation changes included adding an upstairs dining room, which increased the restaurant's seating capacity by 65; changing the entrance to face the city's historical fort and generally upgrading the restaurant's interior from that of a family restaurant to a fine dining establishment.

To remain open or to close? A controversial question . . .

Restaurant renovations can take as little time as one day, usually for large nationwide chains, or as much as one year or more depending on the amount of work to be done, the ability to schedule overtime crews and whether or not the unit remains open or closes completely.

Whether to close a restaurant during part of or all of the renovation is a controversial issue. According to an October 1983 *Nation's Restaurant News* study on remodeling, the average downtime of respondents who said they closed their units is 24 days—a substantial time for lost revenue and customer traffic. Still some operators maintain that closing is absolutely necessary to get the job done right, while others just as vehemently argue that closing is a waste of money, drama and excitement. Fears of closing might include losing your clientele and even your employees. Fears of remaining open include inconveniencing customers and paying overtime to have the work done at night.

The argument for closing . . .

The Monocle in Washington, DC; the Briarwood Country Club in Deerfield, IL; and the Midnight Sun in Atlanta, GA, all agree that closing was the way to renovate because it gave them an opportunity to retrain staff and more clearly identify each person's role.

According to Fred Halimeh, general manager of the Midnight Sun, "Closing is better. It gives you the time to hold daily staff meetings to discuss the new style of cooking that goes with the remodeling. I kept my wait staff on full schedule so they could work in the kitchen. Now when a customer asks about a dish, the waiter can answer because he has made it." Even if operators cannot afford to keep their staff on the payroll, no operator wants to take the risk of losing valuable employees to another restaurant. Some of the things that restaurateurs have done to ensure that their employees come back to work when the restaurant reopens include

- encouraging them to take their vacation time during the down period
- arranging for temporary jobs for them in similar establishments
- allowing them to apply for unemployment compensation and
- making off-premise salespeople out of them by paying them to distribute literature and food samplings to entice customers into the restaurant when it reopens.

Operators who closed did so with plenty of planning, choosing their slowest times. The Monocle, which does a heavy Capitol Hill trade in Washington, DC, for example, closed the day Congress went out of session.

The Midnight Sun, on the other hand, closed during January and February because that's when banquet functions are slowest.

The argument for remaining open . . .

The Chimes Restaurant in St. Augustine, FL; the Red Bull Inn in Pittsburgh, PA; and Coco's Sidewalk Cafe in Bal Harbour, FL, all vote strongly in favor of remaining open.

James Kalinas of the Chimes said he remained open the entire 18 months of renovation. He worked around the renovation by closing certain sections of his restaurant. "The customers got a great kick out of it. Even a leaky roof turned out alright. We pulled the roof apart, and some rain came in here and there. The customers came back saying, 'I'm glad I don't need my umbrella today.' The customers turned it into a joke."

Red Bull's Lawrence Fleck said that the renovation helped start a lot of word-of-mouth advertising for the restaurant because his staff involved customers in the process by discussing the renovation changes and plans with them. "Non-regular customers would come in to see what we were doing and come back again when it was done. Customers remain interested as long as it doesn't take too long. If it drags on longer than six or eight weeks, customers might get a bit irritated with the inconvenience."

David Migicovsky, owner of Coco's Sidewalk Cafe, Bal Harbour, FL, never thought of closing during his two-month renovation. Instead, he turned the renovation into a showcase promotion.

Migicovsky explains how it worked: "I wanted our customers to be part of the renovation. I wanted them to go through it with us, to be involved and to enjoy it. Therefore, we went to great lengths to keep our customers with us. The digging site was surrounded with clear plastic walls so guests could watch the construction crew.

"Everyone working at Coco's wore hard hats with Coco's insignia—yellow for the construction crews, white for the waiters and red for the busboys. The waiters also wore Coco T-shirts. We had theater tickets printed up that offered patrons $1 off anything on the menu when they came to see the remodeling show. On the slower days of Tuesdays and Wednesdays, the theater tickets entitled bearers to $1 drinks—also the price during the happy hour.

"Since we were inconveniencing people, we went one step further to entertain them with an accordion player, a banjo player and a caricaturist. We did everything we could think of to make our guests feel part of what was going on, to feel comfortable and to want to be here. And it all showed up in the cash register. Sales figures were maintained and on many days surpassed."

Reopening with fanfare? . . .

How to open the restaurant for business after the renovation is also not a clear-cut decision. For those who say yes to an opening party, the argument is that it continues the excitement and keeps the restaurant being talked about. For those who say no, the reasons include not wanting big crowds, not wanting to leave out or forget regular customers, not wanting to overwork staff or disappoint customers with less than perfect service.

Regardless of how it's done, however, there is agreement that renovation pays off in increased traffic and profits. Fred Halimeh of the Midnight Sun sums it up succinctly: "You remodel to change with the times—that doesn't just mean the building and the decorating but the service and the food, too. If you do this then you can offer your customers the new adventure that they crave and the old things that they love about your restaurant." ❑

How to increase productivity on your next building project

by Richard S. Pepper
Chairman, Pepper Construction Co., Chicago, IL

Unlike the weather, construction productivity is something that restaurant owners and other construction buyers can do something about. Although the labor unions and government set many of the ground rules and the general contractor or construction manager has much to do with the overall planning of the project and the way workers are motivated and supervised, the owner or developer of the project has a major input to make as well. This input has been documented by the Business Roundtable, a national organization of some 200 chief executive officers of major corporations.

Here are the major recommendations made by the Roundtable—and endorsed by the Associated General Contractors of America—that construction users can put to work immediately.

Make sure management systems are established . . .

There are four basic management systems involved in every construction job

1. planning and scheduling
2. cost estimating, budgeting and control accounting
3. quality assurance (inspections) and
4. materials management (ordering and warehousing).

Whether through an internal staff, a construction manager or a general contractor, the administrator should make certain these systems are established and operating before the project begins. Setting up such systems costs money, but the Roundtable says the owner can save 20 times the cost so the systems more than pay for themselves.

In the area of materials management alone, the owner can save six percent of project labor costs if he or she can assure materials are on hand when needed. To make sure things are ordered on time, owners should monitor purchasing actions by their own organizations and by their contractors. The new inexpensive microchip computers and software can help track orders and deliveries.

Since the four management systems are related, owners may want to use automatic data processing systems designed so that each system is self-contained and reports data required for control of the function. In addition, the systems should be tied together so that a change of data in one system will be reflected immediately in the other related systems.

Understand the different types of contracts . . .

The way a contract is written can add or save five percent of the project costs. A formal contracting plan can help develop a logical approach to risk management based on project objectives. The most successful contracts have at least one fundamental point in common: thoughtful and meticulous preparation by the owner.

The five most popular contracts are lump sum, guaranteed maximum price, construction management, design/build and turnkey. Each has advantages and disadvantages.

A lump sum approach requires the general contractor to do the job for a fixed price, regardless of the eventual cost of the project. The advantages are that all the costs are known upfront, the burden of meeting the budget falls on the contractor and the bidding system tends to produce the lowest possible price. But bids cannot be made until all documents are complete, which can delay financing and the construction process itself. Moreover, changes or redesign are usually very costly, and the lump sum contract puts the contractor in an adversary position with the owner since the contractor is trying to minimize costs to maximize profits.

With a *guaranteed maximum price* (GMP) contract, the general contractor guarantees that the total cost of the project will not exceed an agreed-upon level. Owners and developers can usually begin to seek financing or even start construction before all documents are prepared. Because the contractor is chosen early in the design phase, the owner or developer can take advantage of the contractor's expertise in selecting the most cost-effective materials and building systems. Because both parties share in any resulting savings, the relationship is usually cooperative not adversarial.

To make the GMP work, the owner or developer must work with a contractor whose experience allows him or her to make accurate estimates. Otherwise the price "guarantee" will be of little value. Because the GMP approach is fast, there is the temptation to move ahead as quickly as possible, even if some major designs are not finalized. This can make corrections very expensive, especially if construction is well underway.

Under the *construction management* (CM) method, the owner or developer hires the subcontractors directly and retains a construction manager to supervise the work for a fee. The owner or developer gets the early input advantages of the GMP contract. At the same time, because primary contractors must still bid competitively, he or she gets the maximum price benefits of the lump sum low bid system. But introducing a construction manager into a previously "closed" group can cause friction and even an inability to find a workable design. The owner also carries the risk with contracts he or she negotiates with subcontractors.

With the *design/build* system, the contractor is hired to design as well as build the intended project. The general contractor must therefore have an in-house architectural staff or access to qualified architects. This system maximizes coordination and usually guarantees that the final plan is practical to build. Changes, if necessary later, are also expedited. But the owner sacrifices control, and the contractor may be tempted to sacrifice aesthetic elements or construction details to reduce his or her costs.

The *turnkey* system means the contractor has all the responsibilities under the design/build method and also becomes responsible for land acquisition and financing. In short, the contractor becomes the developer, who then sells or leases the finished building back to the buyer. With a turnkey contract, the owner does little once the initial specifications are communicated. He or she simply waits for the product to be delivered. Therefore, the owner must make sure the requirements are clearly understood so that the building that is delivered is one he or she can use.

Hire a contractor with a good safety record . . .

Safety is another important area to consider when evaluating a contractor. In addition to humanitarian reasons for safety, there are financial concerns. Contractors with a good safety record generally have lower insurance rates, which are reflected in their costs. Safety on the job also means less time lost, which, too, saves money.

In addition to hiring a contractor with a good safety record, administrators should

- require the contractor to get work permits for especially hazardous tasks
- set goals for contractors to reduce accidents and
- conduct formal site inspections to regularly audit the contractor's safety practices.

Finally, the Roundtable study recommends that owners enthusiastically back a labor motivation program and provide site management to support motivation concept principles. It also says owners should assist in eliminating such demotivating items as late design, design changes and work environment problems, such as nonavailability of materials and tools, unsafe conditions, poor inspections and lack of recognition for efficient work practices. A clear and open communication system for the project is also a prerequisite for productivity. ❑

TECHNICAL SERVICES

Foodborne illnesses can be prevented

Foodborne illnesses are an unwanted and unwelcome complication in operating a restaurant. They mean discomfort and sickness for customers and employees, medical expenses for treating the ill and often unfavorable publicity.

Although the Center for Disease Control lists close to 200 different illnesses transmitted by food, three are of primary concern to the foodservice operator—salmonellosis, clostridium perfrigens and staphylococcus. A fourth, of less frequent occurrence but with deadly consequences, is botulism.

Salmonellosis appears soon after exposure and usually produces diarrhea and cramps rather than fever. It may last a number of days.

Clostridium perfrigens appears within a day after ingestion of the poisoned food and results in nausea, cramps and diarrhea of short duration.

Staphylococcus usually appears within six hours and lasts for one to two days. Nausea, cramps, diarrhea, chills and vomiting are among the symptoms.

Leading causes . . .

What are the causes of foodborne illness in restaurants? According to studies by the Center for Disease Control, the leading factors contributing to foodborne illness are

1. inadequate cooling of food, such as leaving foods at room temperature for several hours or storing inadequately cooled foods in large pots and pans in refrigerators
2. the lapse of a day or more between preparing and serving foods with improper hot or cold storage of the food in the interval
3. infected persons handling foods that are not subsequently heated
4. inadequate time or temperature during the cooking of food and
5. insufficiently high temperatures during the hot holding of food.

Foodborne illnesses can be prevented if proper operating practices are followed. These include

- holding and storing foods at proper temperatures (All cold foods must be kept at 45°F or lower. All hot food must be kept at 140°F or higher.)
- cooking all foods at 140°F or higher (Pork requires 150°F and poultry requires 165°F.)
- reheating potentially hazardous foods rapidly to 165°F or higher
- breaking down large quantities of cooked foods into smaller containers to facilitate rapid cooling
- working with clean and sanitized equipment and utensils
- eliminating cross contamination by being sure to clean and sanitize equipment and utensils when beginning the processing of a different food (For example, do not cut beef and poultry on the same cutting board.)
- proper cleaning of fresh fruits and vegetables
- good personal habits by workers, including washing hands after handling raw food or going to the toilet
- covering coughs and sneezes and keeping hands away from mouth and nose and
- prohibiting food handling by employees with cuts, skin infections and boils.

Educational materials are available from NRA . . .

The National Restaurant Association has available for purchase numerous pamphlets, posters and labels to assist in conducting your sanitation programs. These include the comprehensive *Sanitation Operations Manual*, which provides detailed information for establishing your own self-inspection program.

—Andrew P. Poledor

A test for food preparation personnel*

1. Hot food must be kept ______ °F or above.

2. Cold food must be kept ______ °F or below.

3. Food containers must be stored ____ inches off the floor.

4. Cook all foods to at least ______ °F, except:

   Pork must be cooked to at least ______ °F.

   Poultry and Stuffing must be cooked to at least ______ °F.

5. Previously prepared food must be reheated to ______ °F or higher.

Mark answer 6 through 12 either true or false

6. _____ Cooks may use the vegetable preparation sink for hand washing.

7. _____ Hands must be washed after smoking.

8. _____ Cooks may not eat while preparing foods.

9. _____ Stirring is one way to help cool foods rapidly.

10. _____ Knives must be cleaned and sanitized when switching from one product to another.

11. _____ Aspirins may be kept on a kitchen shelf with food.

12. _____ Coats worn to work may be hung in the kitchen.

1. 140; 2. 45; 3. 6; 4. 140, 150, 165; 5. 165; 6. F; 7. T; 8. T;
9. T; 10. T; 11. F; 12. F

*From the NRA employee training booklet "You Hold the Key"

Franchise restaurant sales
$34.2 billion in 1982

by Cecelia Niepold

Highlights

- **The franchise restaurant industry is booming. In 1982, 64,176 establishments posted $34.2 billion in sales.**
- **Franchise restaurant operators are continuing to diversify their menus and to upscale their concepts in the ongoing battle for market share.**
- **Restaurant franchising, a lucrative field for both entrepreneurs and large enterprises, accounted for an impressive 42.4 percent of total eating place sales.**
- **Hamburger franchise firms are still king. They captured almost half the franchise restaurant industry sales in 1982.**
- **Seafood franchise restaurant firms experienced the largest sales gain during 1982—an impressive 54.5 percent leap in sales.**
- **Americans may be diet conscious, but they are still splurging on sweets: They purchased $1.5 billion worth of goodies at ice cream and donut shops in 1982.**
- **U.S. franchise firms continue to expand abroad. In 1982, the number of foreign franchise restaurant establishments increased 8.1 percent to 4,675 units.**

Today Americans eat tacos in the East, barbecue in the North and Chicago–style pizza in the South. Regional boundaries for American foods are disappearing, and the phenomenal growth in the franchise restaurant industry is a major reason why. Franchise restaurants have spread across the country—running the gamut from spicy chicken eateries to gourmet ice cream shops.

Franchise restaurants captured a whopping 42.4 percent of all eating place sales in 1982 for a total of $34.2 billion in sales. Ten years earlier, this segment accounted for only 26.2 percent of eating place sales and totaled $6.8 billion in sales—an indication of this category's tremendous growth. Several factors, such as innovative franchise restaurant concepts, continued menu expansion, increased advertising, and Americans' desire for diverse, convenient foods have all contributed to the franchise restaurant industry's impressive growth.

The following article highlights the exciting trends in the franchise restaurant market and summarizes a recently released Department of Commerce study, *Franchising in the Economy, 1982-1984.** The Commerce Department survey is conducted annually and is the only study of its kind in the U.S. This year's report contains current information on 458 franchise restaurant companies operating 64,176 company-owned and franchisee-owned units.

The National Restaurant Association also compiles an indepth report of the franchise restaurant industry based on data from the Commerce Department survey. This informative tool, *Franchise Restaurants: A Statistical Appendix to Foodservice Trends*, summarizes information from 1969 to 1984 and is available from the National Restaurant Association at 311 First St., N.W., Washington, DC 20001.

Sales and unit growth show healthy gains . . .

The franchise restaurant category is one of the strongest members of the total U.S. franchise network. In 1982, franchise restaurant firms accounted for 14.6 percent of all franchise units and 9.1 percent of total franchise sales.

This strength is reflected in the sales growth reported for the franchise restaurant category. Sales jumped 13.7 percent in 1982 to $34.2 billion—a much stronger performance than the 7.8 percent increase in 1981. Unit growth was up 3.8 percent in 1982, slightly above the 3.2 percent advance posted one year earlier. The healthy sales gain and moderate unit growth may be a reflection of several factors. In 1982, many franchisors trimmed their expansion plans due to the lingering effects of the recession, but refined and upgraded their existing restaurants' concepts to improve overall sales. New firms entering the franchise market also contributed to the strong sales growth. During 1982, 42 new companies entered the franchise segment, while 24 either abandoned franchising as a marketing method or went out of business. The net gain was 18 new firms, which boosted the total number of franchising firms to 458. In comparison, the net gain in 1981 was 15 firms.

When the survey was conducted in mid-1983, franchisors were very optimistic about the future growth of this segment. They estimated sales would reach $38.7 billion in 1983—a 13.2 percent increase. Due to the recovering economy and improved consumer spending levels, even brighter days are expected in 1984. Sales are projected to jump 14.2 percent to $44.1 billion.

Franchisors also expected increases in unit expansion—advancing 7.1 percent in 1983 and 8.9 percent in 1984.

The National Restaurant Association supports this positive outlook and estimates total eating place sales, which include franchise restaurant sales, will increase 9.4 percent in 1983 and 9.8 percent in 1984.

Franchisee-owned units post strongest rise . . .

The franchise restaurant industry is divided into two ownership categories—company-owned and franchisee-owned. Sales gains for franchisee-owned outlets outdistanced those for company-owned units in 1982. Sales at the former rose 15.1 percent to $22.2 billion, while sales at the latter advanced 11.1 percent to almost $12 billion.

Franchisors expect this trend to continue and predict that in 1983 sales will increase 13.3 percent for franchisee-owned units and 12.9 percent for company-owned units. In 1984, sales are predicted to be up 14.6 percent for franchisee-owned establishments, reaching $28.8 billion, versus a somewhat slower 13.5 percent increase to $15.4 billion projected for company-owned outlets.

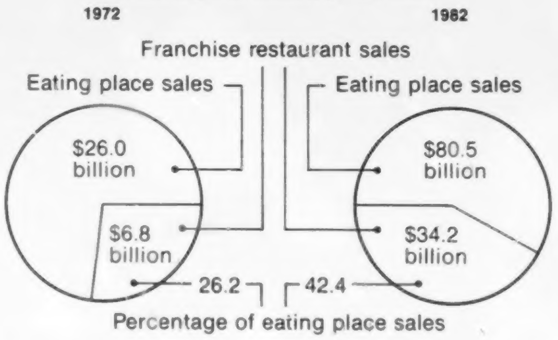
For the second time since 1975, in 1982 more units were purchased for company operation than were converted to franchisee-ownership. This was primarily due to the depressed economy, according to the Department of Commerce Study. Even so, franchisee-owned units increased at a faster rate than company-owned outlets during 1982. The number of franchisee-owned establishments advanced 3.9 percent to 44,159 units in 1982, while the number of company-owned units advanced 3.4 percent to 20,017 outlets.

Franchisors predict growth in the number of franchisee-owned outlets will again outpace company-owned units in 1983: an increase of 7.3 percent for the former versus a 6.7 percent rise for the latter. This trend should continue through 1984, with franchisee-owned outlets growing 9.2 percent and totaling 51,755 units and company-owned units increasing 8.1 percent and reaching 23,087 outlets.

Large firms still dominate . . .

The large franchising firms still account for the lion's share of franchise restaurant industry sales and units. In 1982, the number of firms with more than 1,000 company-owned and franchised units increased from 13 to 14—bringing the total back to the 1979 and 1980 level. Sales for the large multi-unit firms were $20.0 billion in 1982—up 19.9 percent from the $16.7 billion posted in 1981. Pre-

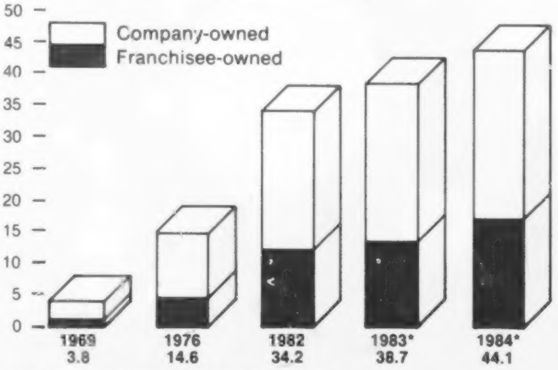
Franchise restaurants:
Percentage of eating place sales*



*NRA eating place sales figures include only establishments with payroll and do not include food contractors.

Sources: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984*; NRA.

Franchise restaurant sales
(Billions of Dollars)

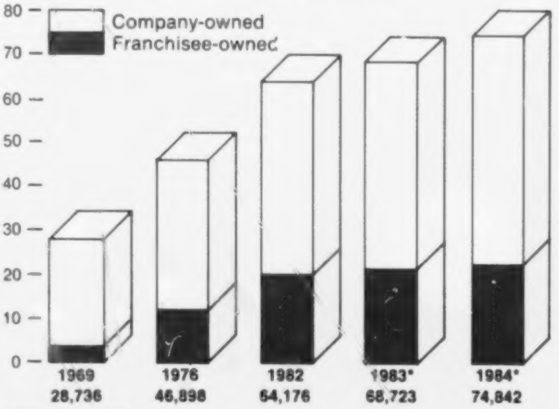


*1983 and 1984 estimated by respondents.

Note: Figures may not equal total because of rounding.

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984*.

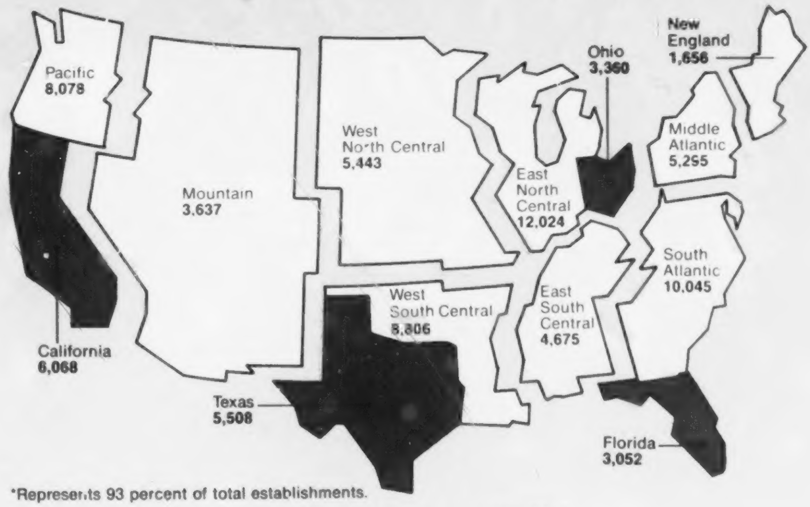
Franchise restaurant units



*1983 and 1984 estimated by respondents.

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984*.

Franchise restaurant establishments by region* (1982)



*Represents 93 percent of total establishments.

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

dictably, these giants account for the largest proportion of franchise restaurant sales. In 1982, this proportion increased to 58.7 percent—up from 55.7 percent in 1981. The largest firms also accounted for the greatest proportion of units—52.9 percent. This was slightly above the 51.6 percent share of total units held in 1981.

The number of medium-size franchising firms has caught up with the larger companies. In 1982, 14 companies reported 501 to 1,000 company-owned or franchised units—up from 12 firms in 1981. Sales for this group increased 11.8 percent and accounted for 13.7 percent of all franchise restaurant sales. There were 9,741 units within this group—15.2 percent of the total outlets.

Interestingly, one of the smaller franchising company segments (firms operating between 51 and 150 units) reported very significant gains in 1982. The number of firms in this category grew from 54 to 61 in 1982, and sales jumped 27.5 percent. The number of units in this segment also increased substantially—22.3 percent. This may be a reflection of the innovative niches developed by smaller franchises.

Even though the franchise restaurant market appears to be dominated by the larger firms, smaller organizations still comprise a significant segment of the industry. Seventy-two percent of the franchise restaurant firms had 50 or fewer outlets. Many of these firms are just beginning their businesses—an indication that the franchise restaurant field still offers much opportunity for growth-minded entrepreneurs.

Service remains an important component . . .

Franchise owners, large and small, recognize the importance of giving their customers the service they desire. To successfully compete with other restaurants, franchisors have become more customer-oriented. Some offer self-service and drive-in facilities while others offer table service. According to the Department of Commerce study, 20 firms offer both types of service.

Most franchisors emphasize quick (self-service or drive-in) service. In 1982, 278 firms offered these conveniences—up only slightly from 273 firms in 1981. The more traditional chains that serve chicken, hamburgers, fish and other types of sandwiches most often offer this service.

More firms are offering waiter/waitress service. In 1982, 180 firms offered this type of service—significantly above the 167 providing waiters or waitresses in 1981. Steak and full menu restaurants were the largest promoters of this service, with 92 firms offering tableservice in 1982. Both types of service are common at pizza franchise establishments, with 68 firms providing self-serve or drive-in facilities and 38 companies offering tableservice in 1982. Pancake franchise restaurants, on the other hand, offer only waiter/waitress service.

Employment in franchised restaurants up 9.1 percent . . .

In 1982, 1.8 million people were employed by franchise restaurants—up 9.1 percent from one year earlier. According to the Department of Commerce study, the franchise restaurant segment is the top employer within the total franchise network. It accounted for 36.8 percent of overall franchise employment in 1982. This proportion is expected to accelerate in the next few years as the franchise restaurant sector continues to expand. Approximately 38 percent of all persons employed in eating places in the U.S. worked in franchise restaurants—another indication of the widespread effect this sector has in foodservice and the overall economy.

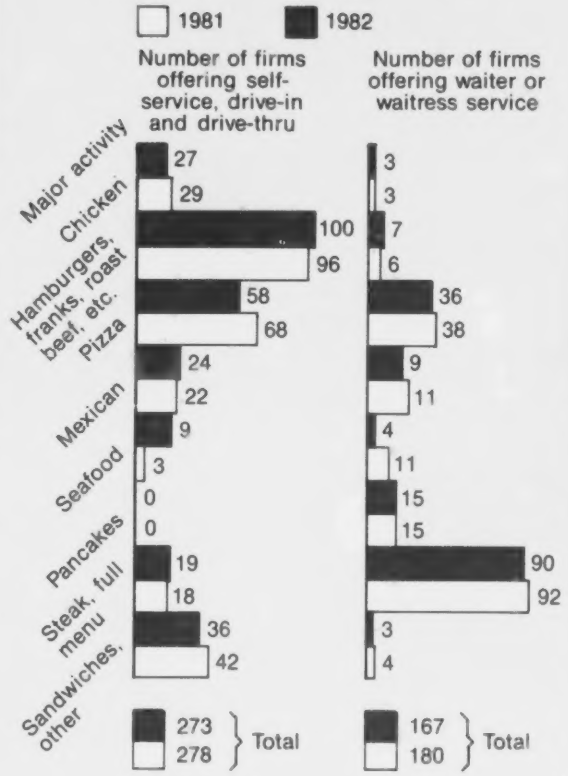
Largest growth in West South Central region . . .

The number of franchise restaurants jumped 23.8 percent in the West South Central region in 1982—the largest increase reported among the nine census regions. This significant advance was fueled by above average gains in both Texas and Oklahoma. The East North Central region accounted for the largest share of franchised restaurants—18.7 percent of the nation's franchise units were located in this area in 1982. However, this region experienced a 0.7 percent decline in the number of franchise establishments during 1982—the largest drop among the census regions.

The smallest percentage of units—2.6 percent—is located in the New England region. Among individual states, the highest number of franchised restaurants continues to be in California, Texas, Ohio and Florida.

An analysis of franchise restaurant types

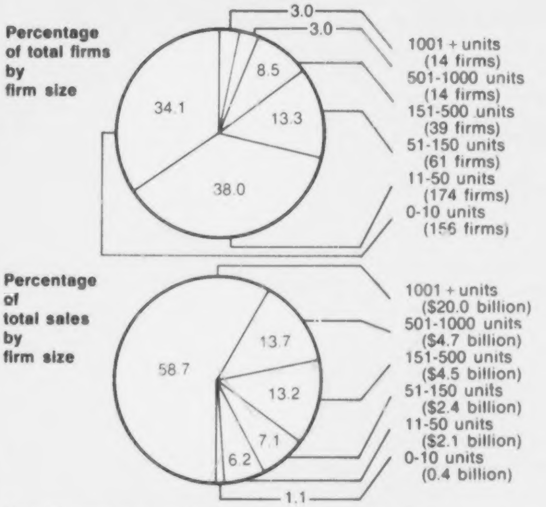
Principal type of service provided by franchise restaurant firms



Note: This information represents the primary type of service offered.

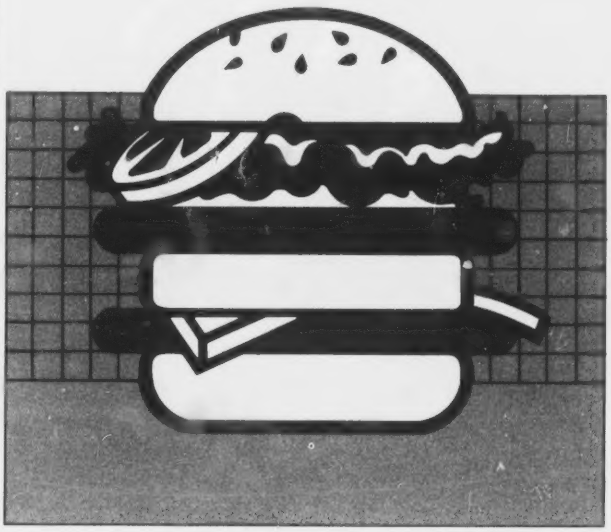
Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

Percentage of total franchise restaurant sales and firms—by firm size (1982)



Note: Figures may not be equal because of rounding.

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*



Hamburger firms battle for market share . . .

Despite increased competition, franchise hamburger, roast beef and frank firms still dominate the franchise sector of the restaurant industry, but they have placed more emphasis on advertising and menu expansion to maintain and improve their market shares. Franchisors have added items, such as specialty sandwiches, salads and even baked potatoes, to cater to consumer demand for lighter, more varied and nutritional foods. Several industry giants have expanded into non-traditional markets, such as colleges, hospitals and airport terminals to bolster sales. Many franchisors are also focusing on the international market to further boost overall sales. These trends are expected to continue as franchisors specializing in hamburgers combat market saturation and stepped-up competition from other burger chains as well as different franchise restaurant types.

Summary:
Hamburger franchises

- Franchise hamburger restaurants captured slightly more of the total franchise restaurant market in 1982 and accounted for 49.4 percent of all franchise restaurant sales and 42.5 percent of total units.
- Sales reached $16.9 billion in 1982—up a whopping 17.7 percent from the $14.3 billion posted in 1981.
- There were 27,285 franchise hamburger units in 1982—1.3 percent more than in 1981. This moderate gain was an improvement, however, over 1981's 0.3 percent decline in total units.
- Sales for franchisee-owned units rose 20.4 percent to $12.4 billion in 1982, versus a much smaller 10.8 percent rise to $4.5 billion recorded by company-owned outlets. This is a dramatic turnaround from the prior year when fran-

chisee-owned unit sales dropped 3.1 percent and sales at company-owned outlets jumped 18.6 percent.

- The number of company-owned units, though, increased 2.9 percent to 6,100 in 1982—somewhat above the 0.8 gain reported for franchisee-owned outlets, which reached 21,185 units.
- Franchisors expect sales to increase at a slightly slower pace in the next few years and predict sales will advance 12.4 percent in both 1983 and 1984 to $19.0 billion and $21.3 billion, respectively.
- Unit growth is projected to accelerate somewhat, however—jumping 4.7 percent in 1983 and 7.3 percent in 1984.

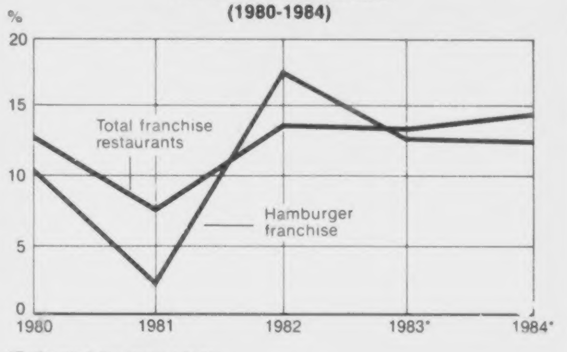
Pizza firms add more pizazz . . .

A net total of 12 firms entered the franchise pizza market in 1982—an indication of the continuing popularity of this segment. Pizza franchisors are focusing on capturing more of the lunch traffic and emphasizing quick delivery, lunch buffets and lighter dishes, such as smaller pizzas and salad bars. Franchisors continue to diversify their menus and are adding items, such as unique regional pizza toppings, to add more pizazz to their menus. Entertainment continues to be a key theme for several pizza companies, and franchisors are expanding their entertainment concepts to carve their own distinct market niche. International expansion is also underway in this franchise category and has spread as far as Australia and the Caribbean.

Summary:
Pizza franchises

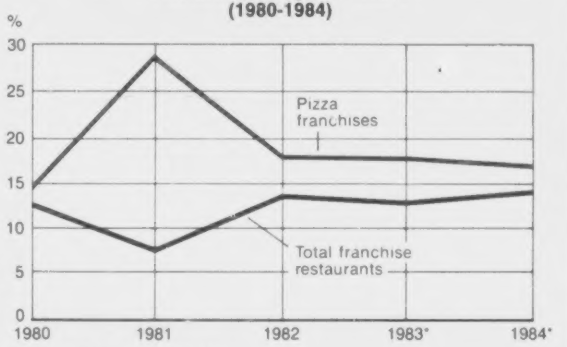
- In 1982, franchise pizza restaurant sales reached $3.7 billion—up 18.0 percent from a year earlier. Even so, this was somewhat slower than the impressive 29.0 percent leap in sales during 1981.

Franchise hamburger restaurants versus total franchise restaurants (1980-1984)



*Estimated by respondents.
Source: U.S. Department of Commerce. *Franchising in the Economy, 1982-1984.*

Pizza franchises versus total franchise restaurants: Percent change in sales (1980-1984)



*Estimated by respondents.
Source: U.S. Department of Commerce. *Franchising in the Economy, 1982-1984.*

- The number of units reached 10,629 in 1982—a 9.6 percent advance and slightly above 1981's 8.8 percent gain in total units.
- Company-owned unit sales out-performed franchisee-owned sales for the first time in several years and rose 21.5 percent to $1.4 billion. This compares with a 16.0 percent sales gain for franchisee-owned units, which reached $2.3 billion.
- The number of franchisee-owned outlets, however, advanced substantially more than company-owned units. Franchisee-owned units increased 12.6 percent to 6,929 outlets while the number of company-owned units rose 4.5 percent to 3,700 units.
- Franchisors expect total pizza franchise sales to rise 18.0 percent to $4.4 billion in 1983 and then experience a 17.1 percent gain in 1984.
- Total outlets are projected to reach 12,042 in 1983—a 13.3 percent jump. A slightly slower 12.1 percent advance in total units is expected in 1984.

Chicken franchises are moving up the pecking order . . .

The franchise chicken restaurant segment is soaring with expanded menus and changing restaurant concepts. Spicy chicken, a variety of homemade biscuits, salad bars and other Southern menu items are tempting tastebuds across the country. Several franchisors have also developed more upscale concepts—a significant change from the traditional chicken franchise restaurant. Competition has intensified as each franchise chicken firm seeks to differentiate its products. More chicken franchises are concentrating on the lucrative breakfast market and heavily promoting their biscuits along with other breakfast items. Although overall sales during 1982 for this entire segment were not outstanding, franchisors expect a stronger performance in 1983 and 1984. Americans' perception of chicken as a nutritional alternative to other fast foods as well as fairly stable poultry prices should help bolster chicken franchise sales.

Summary:
Chicken franchises

- Franchise chicken restaurant sales topped $2.9 billion in 1982—a moderate 4.0 percent increase.
- The number of units advanced 4.7 percent and totaled 7,773 outlets in 1982—significantly above 1981's 0.7 percent rise in overall units.
- Sales at company-owned establishments easily outpaced franchisee-owned units and reached $1.1 billion—a strong 16.5 percent advance. On the other hand, sales at franchisee-owned outlets dropped 2.3 percent and totaled $1.8 billion.
- The number of franchisee-owned units increased only 0.8 percent to 5,182 outlets, while to-

tal company-owned units rose 15.2 percent to 2,591 establishments.

- Franchisors expect a brighter future for chicken franchises and project sales will jump 21.1 percent in 1983, reaching $3.6 billion. Sales are expected to total $4.4 billion in 1984—a 23.5 percent leap.
- Unit growth is also expected to pick up in 1983 and advance 10.3 percent. The total number of units is projected to reach 9,489 outlets in 1984—a healthy 11.3 percent increase.

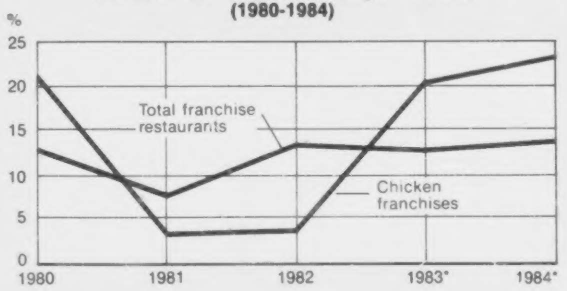
Mexican franchise expansion cools down . . .

Low cost and easy-to-prepare foods, along with the novelty of the Mexican concept, have fueled rapid expansion in the franchise Mexican restaurant segment. Growth has slowed somewhat, however, as competition has intensified in this market. Consequently, operators are working to differentiate their individual concepts from their competitors. Relatively low food costs for standard menu items, such as tacos, poultry, beans and rice, though, will continue to help overall sales.

Summary:
Mexican franchises

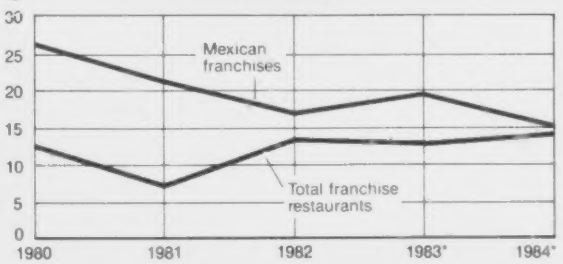
- Sales for franchise Mexican restaurants rose 17.6 percent to $1.2 billion in 1982. This is slower, however, than the impressive 21.8 percent gain posted in 1981.
- Unit growth slowed substantially, advancing only 1.9 percent to 3,059 units—significantly below the 8.2 percent rate of expansion recorded in 1981.
- The number of firms operating franchise Mexican units remained at 33 in 1982, and this may have contributed to the relatively slower growth.

Chicken franchises versus total franchise restaurants: Percent change in sales (1980-1984)



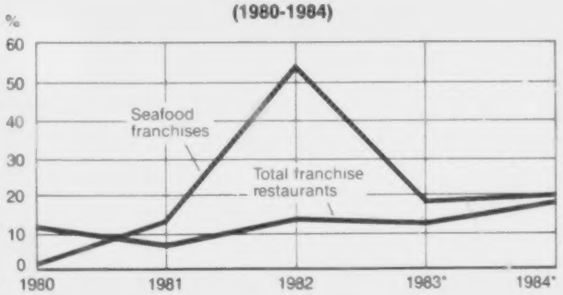
*Estimated by respondents.
Source: U.S. Department of Commerce. *Franchising in the Economy, 1982-1984.*

Mexican franchises versus total franchise restaurants: (1980-1984)



*Estimated by respondents.
Source: U.S. Department of Commerce. *Franchising in the Economy, 1982-1984.*

Seafood franchises versus total franchise restaurants: (1980-1984)



*Estimated by respondents.
Source: U.S. Department of Commerce. *Franchising in the Economy, 1982-1984.*

- Company-owned unit sales jumped 31.6 percent to $645 million. Sales at franchisee-owned establishments increased a moderate 5.8 percent, reaching $613 million.
- A 1.3 percent drop in the number of franchisee-owned units contributed to the slower sales at these outlets. The number of company-owned units, however, rose 6.0 percent totaling almost 1,400 outlets.
- Franchisors expect total sales to pick up in 1983 and reach $1.5 billion—a hefty 19.3 percent increase. Sales growth is projected to slow somewhat in 1984, rising 15.6 percent to $1.7 billion.
- Unit expansion is also expected to improve in 1983, advancing 10.3 percent. In 1984, total outlets are projected to reach 3,683 units—a 9.2 percent gain.

Seafood franchises show top growth . . .

Franchise seafood restaurants posted impressive sales gains in 1982 and significantly out-performed the other franchise restaurant categories. Many seafood franchises have capitalized on Americans' desire for lighter and more nutritional foods and have begun promoting non-fried seafood items, such as broiled and baked entrees. Some organizations have even added innovative menu items like mesquite grilled fish. A substantial addition in the number of franchisee-owned units—a turnaround after two years of decreases in this segment—may have contributed to the above average expansion. Overall growth in this category is expected to continue as firms market their concepts as healthy alternatives.

Summary:
Seafood franchises

- Sales totaled $1.4 billion in 1982—a tremendous 54.5 percent jump. This is significantly above 1981's 13.1 percent gain and 1980's modest 1.5 percent increase.
- Unit expansion advanced 27.6 percent, reversing two years of declining growth. The total number of units reached 2,840 in 1982.
- One new firm entered the franchise seafood market during 1982, bringing the total to 14. This contributed to the substantial

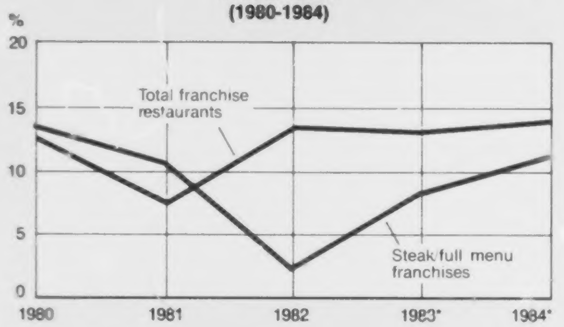
growth in the segment.

- Both company-owned and franchisee-owned unit sales skyrocketed in 1982. Sales at company-owned outlets rose 57.6 percent to $756 million, compared with a 26.7 percent gain in 1981. Franchisee-owned sales advanced 50.8 percent to $617 million—substantially above the 0.4 percent increase recorded during 1981.
- The total number of franchisee-owned units jumped 42.1 percent to 1,528 outlets, while company-owned units increased 14.0 percent to 1,312 establishments. This follows 1981's sharp 10.6 percent deline in franchisee-owned units and a moderate 5.8 percent advance in company-owned outlets.
- Franchisors predict sales will slow somewhat in 1983 and reach $1.6 billion—a 19.4 percent increase. Sales are expected to rise 20.0 percent in 1984 for a total of $2.0 billion.
- Unit growth is also projected to subside slightly in 1983, increasing 7.7 percent. A somewhat stronger 10.0 percent gain in total units is predicted for 1984.

Slower steak/full menu franchise sales . . .

A variety of factors are affecting the wide range of restaurants within the franchise steak/full menu segment. With a heavy concentration of units in the slowly recovering Midwestern states, many budget steakhouse operators are depending on the economic upturn to help boost sales. Meanwhile, some have developed more upscale concepts and expanded their menus to check their dependence on beef sales. Steakhouse firms have begun emphasizing lighter entrees, such as salad bars and seafood, to broaden their market appeal. Competition in the casual theme restaurant segment has intensified as expansion continues in this market. In general, many operations in the steak/full menu franchise category (particularly family restaurants) are also offering low-ticket breakfast specials, regional menus and daily dinner specials to boost overall traffic.

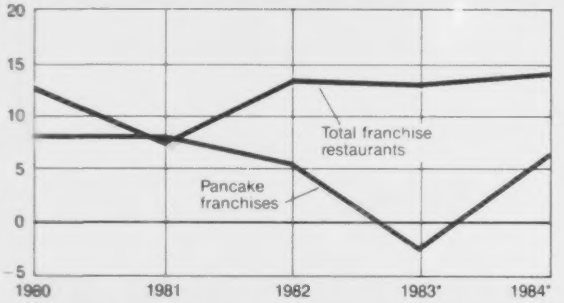
Steak/full menu franchises versus total franchise restaurants:
(1980-1984)



*Estimated by respondents.

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

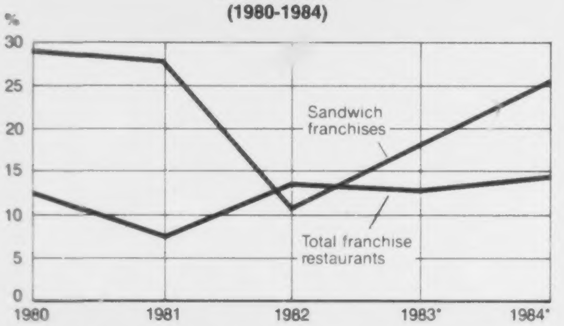
Pancake franchises versus total franchise restaurants:
(1980-1984)



*Estimated by respondents.

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

Sandwich franchises versus total franchise restaurants
(1980-1984)



*Estimated by respondents.

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

Positive economic growth should significantly bolster sales in the steak/full menu franchise segment as consumers with improved spending power trade up to both mid-price and higher-price ticket restaurants.

Summary:
Steak/full menu franchises

- In 1982 sales advanced 2.2 percent for a total of $6.7 billion—a considerably slower gain than the 10.6 percent increase recorded in 1981.
- During 1982 the number of units dropped 2.9 percent from 9,406 to 9,135. This compares with a 6.2 percent gain in total units during 1981.
- Franchisee-owned sales outpaced company-owned sales, rising 6.9 percent to reach $3.5 billion. On the other hand, sales at company-owned outlets declined 2.5 percent and totaled $3.2 billion in 1982.
- The slower sales growth for company-owned establishments was primarily the result of a 6.4 percent decline in total company-owned units in 1982. The number of franchisee-owned outlets rose only slightly—0.1 percent.
- Franchisors expect a stronger performance in 1983. They predict sales will rise 8.3 percent to $7.3 billion. Sales are expected to reach $8.1 billion in 1984—a substantial 11.1 percent gain.
- Unit growth is also projected to pick up in 1983, advancing 3.2 percent to 9,429 units. Total units are expected to reach 9,927 outlets in 1984—a stronger 5.3 percent increase.

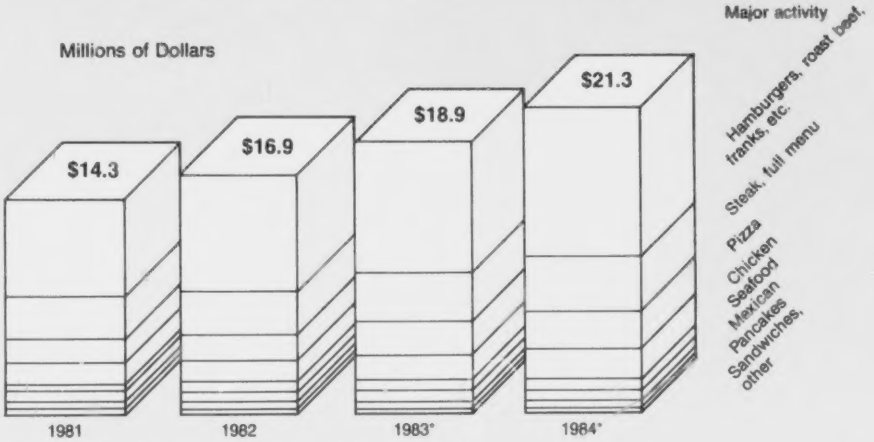
Pancake franchises post below average gains . . .

Growth has slowed significantly in the franchise pancake restaurant sector. To reverse this trend, firms are expanding their menus and focusing on the dinner and lunch meal periods as well as breakfast. Franchisors are adding lighter entrees as well as a few ethnic items to appeal to a broader range of customers. The overall increase in the number of patrons eating breakfast away from home should help bolster sales in this segment.

Summary:
Pancake franchises

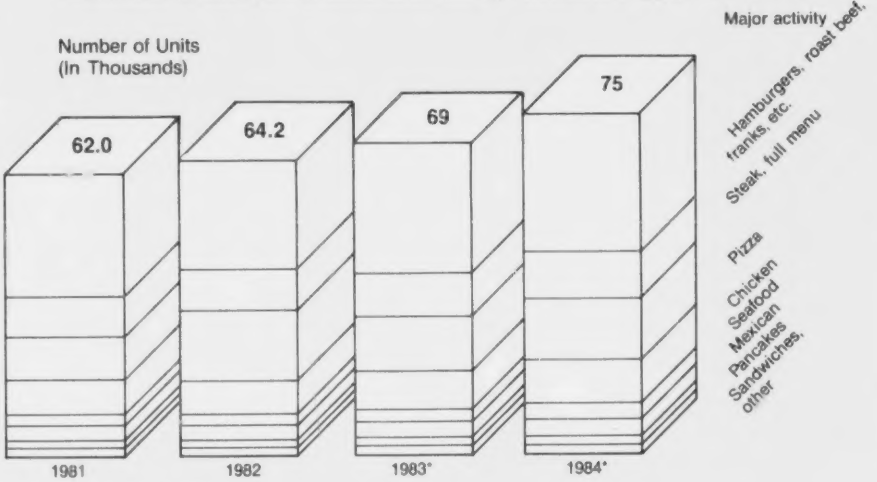
- Sales advanced 5.4 percent in 1982 and reached $893 million—the slowest percentage gain since 1974.
- Unit growth was up 9.7 percent and totaled 1,645 outlets.
- Sales growth was led by franchisee-owned units. Franchisee-owned outlets experienced a 7.5 percent increase in sales and reached $615 million versus a 6.2 percent advance posted in 1981. Sales at company-owned units rose only 1.0 percent to $278 million, down significantly from the 12.2 percent increase reported in 1981.
- The number of franchisee-owned units jumped 16.0 percent, fueling the stronger sales in this group. On the other hand, total company-owned units dropped 2.1 percent, indicating some retrenching in this area.
- Franchisors expect 1983 to be a tough year for franchise pancake restaurants and project a 2.3 percent drop in sales. The picture should brighten in 1984, though, as franchisors refine and expand their concepts. Sales are expected to rise 6.4 percent and total $929 million.
- Overall unit expansion is also expected to decline in 1983—approximately 0.3 percent. Total units should increase, however, in 1984 and advance 3.5 percent to total 1,698 outlets.

Franchise restaurant sales by restaurant type, 1981–1984



*Estimated by respondents.
Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

Franchise restaurant establishments by restaurant type, 1981-1984



*Estimated by respondents.
Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

Sandwich franchise segment grows . . .

Menu variety and adaptability have enabled the franchise sandwich restaurant segment to grow significantly. Sandwich franchises account for the smallest sector of the franchise restaurant pie; but because it is small, this category offers widespread growth opportunities. Small start-up costs, low cooking, low labor expenses and the simplicity of most operations have helped boost sales and should fuel further expansion. Sandwich shops are prevalent in shopping malls and downtown areas where their small size is an advantage. Many menus appeal to a broad range of tastes and offer soups, salads, pasta and, of course, a variety of sandwiches. Although growth slowed somewhat in 1982, franchisors remain optimistic about the future performance of this segment.

Summary:
Sandwich franchises

- Sales advanced 10.5 percent to $375 million in 1982—a slowdown from the 27.9 percent growth posted in 1981.
- Slower unit growth may have contributed to the weaker sales. Unit expan-

sion rose 7.5 percent and reached 1,810 outlets. This compares with a stronger 13.8 percent increase in total units during 1981.

- Even so, seven new firms began franchising in this segment during 1982, bringing the total to 46 firms and emphasizing the continued opportunities in this market.
- Sales at franchisee-owned outlets topped $310 million in 1982—an 11.4 percent increase. This was less impressive than the 25.2 percent increase recorded in 1981. Company-owned sales totaled $65 million and advanced a moderate 6.5 percent—significantly slower than the 41.9 percent rise in 1981.
- Unit growth was up 9.8 percent for company-owned outlets and 6.9 percent for franchisee-owned units. This compares with a 29.2 percent advance in total company-owned units and a 10.4 percent increase in franchisee-owned establishments.
- Franchisors predict sales will improve substantially in 1983 and expect sales to reach $443 million—an 18.0 percent increase. Sales should jump in 1984 and total $556 million—a hefty 25.5 percent gain.
- The total number of units is also expected to grow in 1983, rising 15.3 percent. Unit growth is projected to advance even faster in 1984—an increase of 20.9 percent.

Upcoming trends in the franchise restaurant industry

- **Upscaling.** Franchisors will step up efforts to upscale interior and exterior decor, service and the quality of the food they serve.
- **Menu expansion.** Chains will diversify menus to develop more signature items that will differentiate their restaurants from the rest of the competition. For example, firms are adding gourmet toppings to spruce up the basic burger and are replacing traditional sandwich buns with croissants.
- **Advertising.** Firms will put increased emphasis on advertising that focuses on their food, service and the generally good feeling a patron gets when eating in the restaurant.
- **Conversion and renovation.** Instead of building new units, firms will concentrate on remodeling or converting existing facilities to keep up with Americans' everchanging tastes.
- **Breakfast.** New breakfast items and increased promotions will surface as firms concentrate on developing this lucrative meal period.
- **Non-traditional markets.** Franchisors are moving into non-traditional markets, such as colleges, hospitals and military bases. This trend should continue as firms compete for a share of the increasingly crowded consumer market.
- **Emphasis on convenience.** Franchisors are experimenting with longer hours to boost their "quick and easy" image and combat growing competition from convenience stores.
- **International expansion.** Foreign markets continue to be the "new frontier" as franchisors capitalize on lucrative opportunities in the international marketplace.

Franchise ice cream store and donut shop sales total $1.5 billion

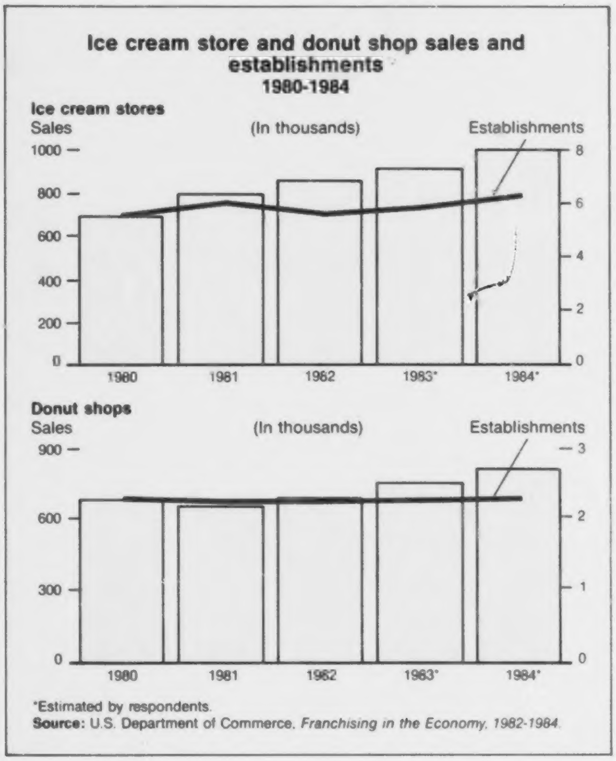
Franchise ice cream store and donut shop sales totaled $1.5 billion in 1982, making them a significant segment of the foodservice industry. Because these establishments are classified as "food retailers other than convenience stores" by the U.S. Department of Commerce in its study *Franchising in the Economy, 1982-1984;* their sales are not included in the 1982 $34.2 billion figure reported for franchise restaurants. If they were included, franchise restaurant sales would account for 44.3 percent of eating place sales.

Ice cream franchises scoop up $856 million in sales . . .

Although many Americans profess to be watching their weight, it is apparent from the steady expansion in the ice cream market that consumers still love to splurge on ice cream. This trend is expected to continue. To cater to the increased demand for specialty items, ice cream franchisors are focusing on gourmet ice cream, unique toppings, non-dairy products and frozen yogurt.

Summary:
Ice cream franchises

- Sales for ice cream franchises were up 7.9 percent in 1982 and reached $856 million. This was somewhat below the 14.5 percent increase posted in 1981.
- Unit growth advanced 2.2 percent, reversing 1981's decline of 1.6 percent. Four new firms entered the market and helped boost the total number of units to 5,547.
- Sales at company-owned units more than doubled in 1982 and reached $52 million. This could be due to several firms just starting out and concentrating mainly on company-owned shops. Franchisee-owned unit sales, which totaled $805 million, advanced 4.7 percent—somewhat below the 14.5 percent gain recorded in 1981.
- The number of company-owned units increased 20.7 percent—a substantial turnaround from 1981's 11.8 percent decline. Total franchisee-owned outlets rose 1.7 percent and reversed 1981's 1.3 percent drop in total units.
- Franchisors expect sales to slow slightly in 1983 and rise 7.1 percent to $917 mil-



Ice cream store and donut shop sales and establishments 1980-1984

*Estimated by respondents.
Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

lion. A stronger 8.9 percent advance is projected for 1984 with sales reaching $998 million.

- Unit growth should rise 5.4 percent in 1983—the healthiest increase since 1978. This should be topped by the 5.9 percent jump predicted for 1984.

Donut sales up . . .

Franchise donut restaurant operators see brighter days ahead for donut franchises due to the overall increase in breakfast traffic and diversified menus. Franchisors have added breakfast biscuits, freshly ground coffee and even ice cream cookie sandwiches to boost customer traffic.

Summary:
Donut franchises

- Total donut franchise sales reached $680 million in 1982—a 4.7 percent increase—and a significant improvement from 1981's 5.6 percent decline in sales.
- The total number of units reached 2,221—up a modest 0.1 percent—but reversing the 1981 14.6 percent drop in total units.
- Company-owned unit sales advanced 9.5 percent to $89 million. They outpaced sales at franchisee-owned outlets, which rose 4.0 percent and reached $591 million.
- The number of company-owned units increased 1.8 percent in 1982 while total franchisee-owned outlets dropped 0.1 percent.
- Projections for sales growth during 1983 and 1984 are optimistic. Franchisors expect sales to rise 9.0 percent in 1984, totaling $741 million. In 1984, overall sales are predicted to reach $826 million—an 11.5 percent advance.
- Unit expansion is expected to rise 3.4 percent in 1983 and jump a more significant 8.8 percent in 1984. Franchisors expect most of this growth to occur in franchisee-owned units, as the number of company-owned units is predicted to remain fairly stable in 1983 and1984.

Franchisors capitalize on lucrative international market

From Singapore to South Africa, U.S. franchise restaurants have spread around the world. As markets become more saturated in the U.S., franchisors are broadening their horizons and expanding into the lucrative and relatively undeveloped foreign marketplace. Despite increased competition from local firms and other international companies, opportunities for American-style franchising will continue as many foreign countries improve their standards of living and develop more service-oriented economies.

According to the recent Department of Commerce study, *Franchising in the Economy, 1982-1984*, 57 restaurant franchise firms operated 4,675 units throughout the world in 1982. Although two firms dropped out of the international marketplace, the total number of units rose 8.1 percent to 4,675 establishments. International expansion is a prime goal for many franchising firms, and 24 franchisors plan to begin operating foreign units by the end of 1985.

Japan took over the number one spot as the largest market for franchise restaurants with a total of 1,259 units. Canada moved into the number two position. Canadian total outlets declined 3.9 percent to 1,172 units—the only recorded drop in overall units during 1982. Australia had the next highest concentration with 522 establishments, the United Kingdom posted 481 units and continental Europe reported 360 outlets. The largest increase in U.S. franchise restaurants occurred in the areas of Asia other than Japan, where total units jumped 20.0 percent.

Hamburger firms still king . . .

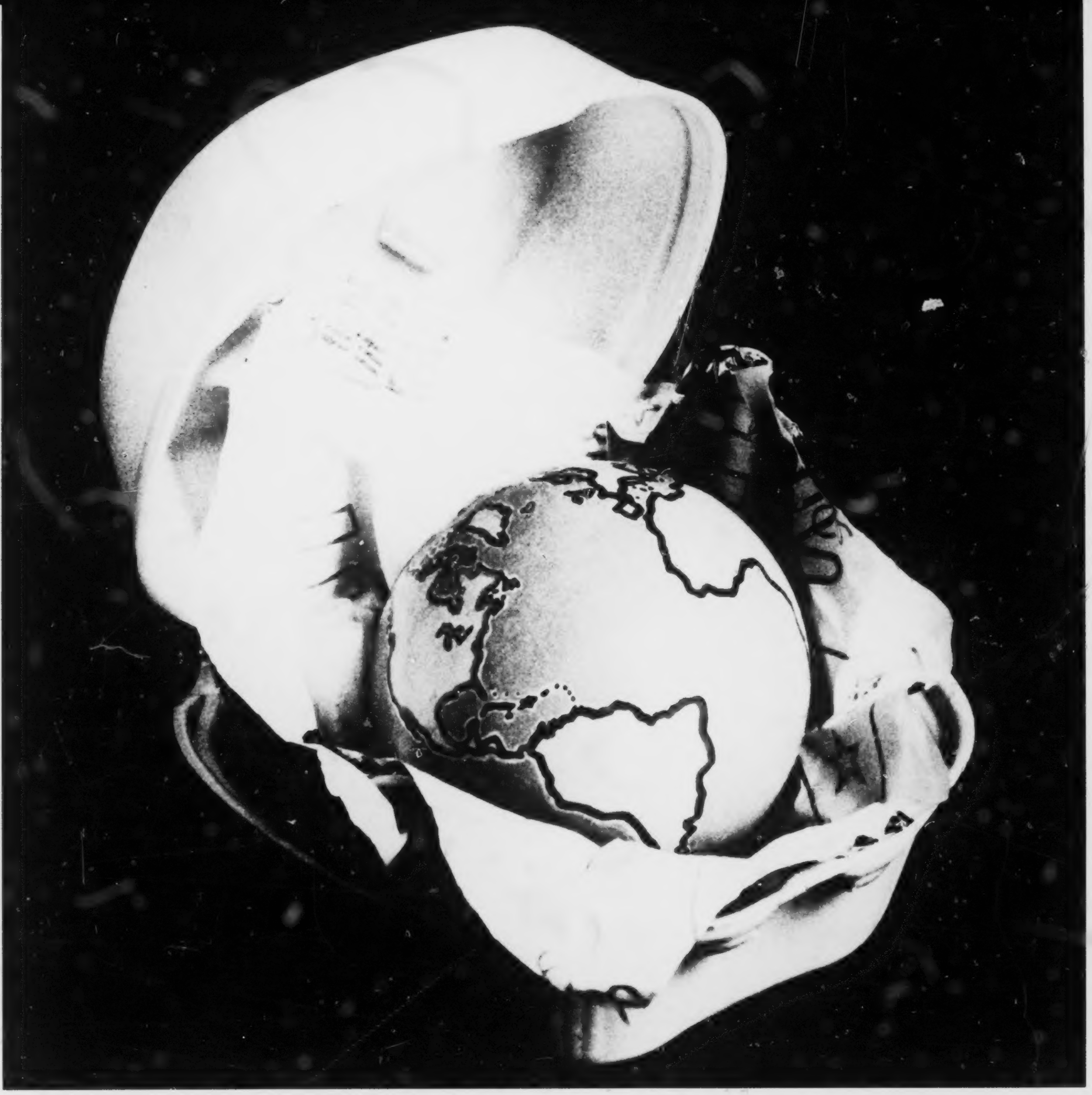
Hamburger firms continue to dominate the foreign restaurant marketplace. In 1982, 14 U.S. firms operated 2,362 units—over half the total establishments in the international market. Although one hamburger firm dropped out of the foreign marketplace, unit expansion was up 12.5 percent.

Canada, with 947 units, had the majority of hamburger outlets in 1982, followed by Japan with 548 establishments. The greatest expansion occurred in the United Kingdom where the number of units jumped 32.6 percent to 122 outlets. This large percentage increase reverses an unusually high proportion of establishments that dropped out of this market in 1981.

Hamburger operations are growing quickly in South America—advancing from seven to 21 units in 1982. Central America, on the other hand, was the only foreign market to post a decline in hamburger establishments—total units dropped from 35 to 24.

Chicken is number one in seven foreign markets . . .

Chicken franchises outnumbered all other franchise restaurant types in seven out of 12 reported international markets. For instance, chicken franchises accounted for 74.4 percent of the total franchise restaurant segment in the United Kingdom and an impressive 95.2 percent of Africa's establishments. Chicken franchises are also most preva-



lent in Mexico, the Caribbean, Asia (other than Japan), Australia and New Zealand. One reason for this dominance could be that chicken franchisors entered the international market relatively early and have become more accepted in some parts of the world than several other types of American franchise restaurants.

Six U.S. firms operated foreign chicken franchises in 1982—the same number as a year earlier. Even so, the number of franchise chicken outlets advanced 7.7 percent to 1,483 units. Japan had the largest number of franchise chicken outlets, with 406 establishments, followed by the United Kingdom with 358 units. Slight decreases in total outlets, however, were recorded in South America, Continental Europe and Mexico.

Number of pizza franchise restaurants jumps . . .

Total international franchise pizza restaurants jumped 41.9 percent in 1982, expanding from 289 units in 1981 to 410 outlets. Some of this growth can be attributed to a new U.S. pizza firm entering the international marketplace, bringing the total number of pizza firms to nine.

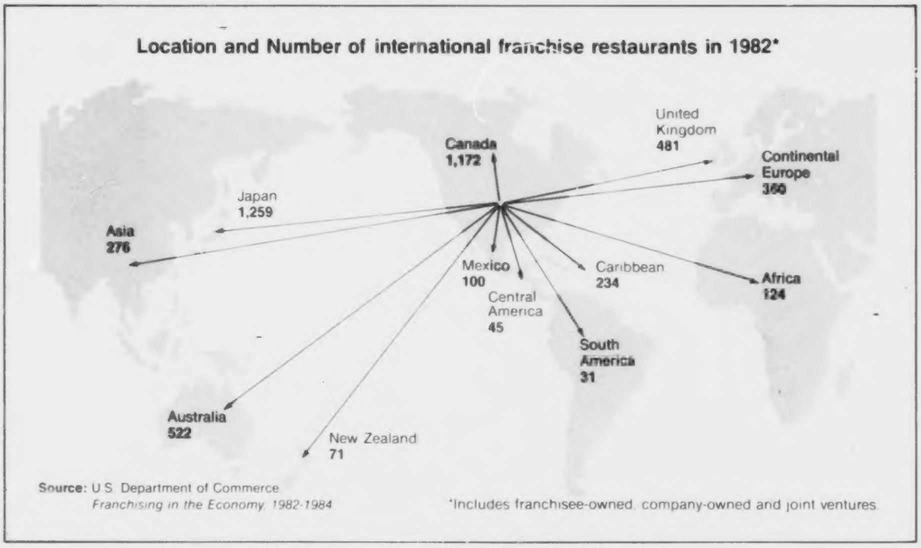
The strongest growth occurred in Canada where the number of units rose from 19 to 68 during 1982. Australia had the largest concentration of pizza establishments with 121 units. Japan followed with 88 pizza outlets.

Mexican franchise restaurant growth slows . . .

Six franchise firms specializing in Mexican food remained in foreign markets in 1982, but the number of franchise units dropped slightly. In 1982, 52 Mexican franchise establishments were located outside of the U.S.—down from 60 units in 1981. The major decrease occurred in Canada where the number of outlets dropped from 39 to 31. Japan lost its only Mexican franchise unit in 1982, while Central America gained its first one. Sixteen Mexican outlets remain located in the Caribbean and four remain in Australia.

Number of franchise seafood restaurants drops . . .

The number of franchise seafood restaurants dropped from 58 to 12 during 1982. Most of this decline occurred in Canada where franchise seafood units decreased from 53 to six. The number of franchise seafood firms operating foreign units declined from four to three in 1982, which probably contributed to the overall drop in outlets. Five seafood outlets continued to operate in Japan, and one new establishment opened in another area of Asia.


Location and Number of international franchise restaurants in 1982*

Source: U.S. Department of Commerce *Franchising in the Economy, 1982-1984*

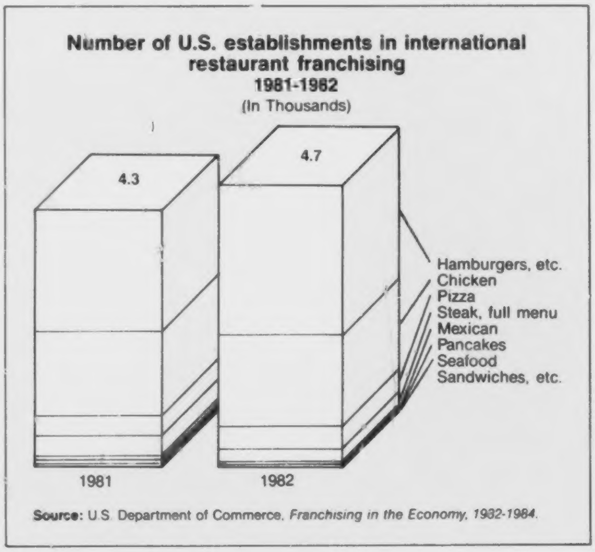
*Includes franchisee-owned, company-owned and joint ventures.

Total steak/full menu units decline . . .

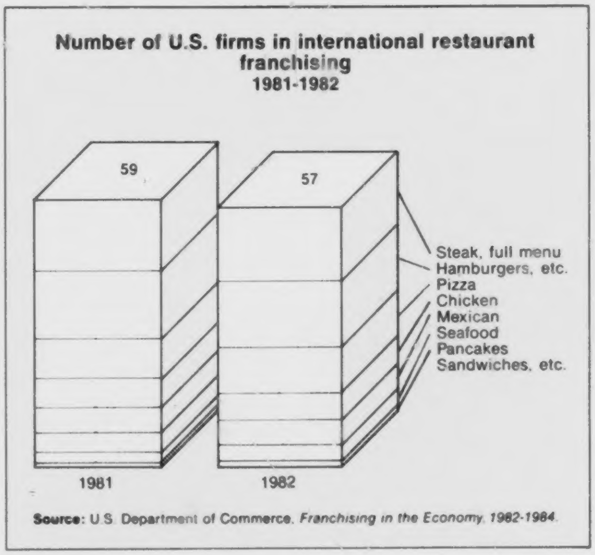
Although 16 U.S. firms continued to operate international steak/full menu franchises, the total number of units dropped 19.5 percent to 342 outlets. Most of the decline occurred in Canada where the number of units was cut in half during 1982—decreasing from 197 to 100 units. This decline could possibly be due to companies cutting back or leaving the market. The heaviest concentration of steak/full menu franchises was located in Japan with 205 establishments. Mexico had a total of 20 steak/full menu restaurants, Australia had seven of these units, three were located in the Caribbean, and only one steak/full menu franchise remained in the United Kingdom.

Number of franchise pancake firms . . .

Two firms maintained franchise pancake restaurants outside the U.S. in 1982, but the number of outlets declined from 15 to 14. Seven pancake franchise units were located in both Canada and Japan.


Number of U.S. establishments in international restaurant franchising 1981-1982 (In Thousands)

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*


Number of U.S. firms in international restaurant franchising 1981-1982

Source: U.S. Department of Commerce, *Franchising in the Economy, 1982-1984.*

Editor's Note:

Franchise Restaurants: A Statistical Appendix to Foodservice Trends is now available for purchase. The cost to NRA members is $12.50 (plus $2 shipping and handling). The cost to nonmembers is $25 (plus $2.50 shipping and handling). Residents of Washington, DC, and Illinois must add a six percent sales tax. Chicago, IL residents must add an additional one-percent sales tax. To order, contact the National Restaurant Association, 311 First St. N.W., Washington, DC 20001 or call (800)424-5156. Payment must accompany all orders. Credit card telephone orders are accepted. Please specify number CS207 when placing your order.

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* The Department of Commerce survey was completed by 1,770 franchisors representing an estimated 99 percent of total franchise sales and establishments in the U.S. The results from this survey are compiled in the Department of Commerce publication, *Franchising in the Economy 1982-1984.*

Sales and unit figures for 1982 and projections for 1983 and 1984 reported here are representative only of the 458 franchise restaurant firms surveyed in the most recent Department of Commerce study and do not include any new or established firms that may have begun franchising in 1982 and any present firms going out of business or abandoning the franchise system.

FOOD FOR THOUGHT

The high cost of fame

Big Jake was born a lobster in Boston, MA, at least 50 years ago. He grew and grew until he reached the awesome weight of 25 pounds.

Jeffrey Psyka, vice president of the Alaska Lobster Exchange, a wholesale/retail distribution house, was looking for a lobster just like Jake for display. Fame was just around the corner. Big Jake was off—no, not to Hollywood—but to Alaska. Customers were awestruck. Everyone wanted to touch him, to hug him or to pick him up. Finally the demands of fame were too much for Big Jake. Bright lights and constant appearances did him in. With a mere flicker of life left in him, Big Jake was given a $90 one-way ticket back to Boston for rest and perhaps retirement. But, alas, it was too late for Big Jake.

Big Jake may be gone, but thanks to taxidermy, he won't be forgotten.

—*Washington Post*

Salt-sensitivity test in the works

Many people are trying to cut down on their salt intake and with good reason. Excess dietary salt is believed to be a contributing cause of high blood pressure, which affects 37 million Americans. Recent studies indicate that up to 20 percent of the population is "salt-sensitive." When these people consume too much salt, they risk developing high blood pressure.

A new test developed at Vanderbilt School of Medicine in Nashville, TN, can show which patients are salt sensitive. This test, which may be available within a year, uses a protein fragment called peptide. A low peptide level may mean a person is salt sensitive and should cut back on salt to avoid the possibility of high blood pressure.

—*USA Today*

Everything you've always wanted to know about soda pop

If you have questions about your soda pop but don't know where to call, your worries are over. The Seven-Up Company, which makes diet and regular versions of lemon-lime 7-Up and a low-caffeine-cola Like, has instituted a toll-free consumer hot line at its St. Louis headquarters. The number is (800) 325-7272.

"We're in the consumer product business," says Seven-Up President Edward Frantel. "If somebody is angry with us or concerned, we want to know." Frantel adds that consumers are confused about the number of soft drinks on the market and have questions about caffeine, sodium content, sweeteners, carbonation and packaging.

—*USA Today*

A fishy promotion for Father's Day

A restaurant in a Canadian hotel is working on raising Father's Day sales. Last year, Montreal's Le Bonaventure Westin Hotel came up with a fishy promotion to attract families to its annual Father's Day brunch. It stocked its pond with 300 rainbow trout and supplied fishing rods to patrons who wanted to try their hand at catching their entree. The hotel's chefs were ready to cook each trout and serve it up for brunch—all for $19.95 for adults and $11.95 for kids.

Just a reminder, Father's Day is June 17.

—*Seafood Leader*

Big-Mac and beer?

A McDonald's restaurant in Mammoth, CA, wants to sell beer and wine to accompany its other menu selections. If permission is granted, this restaurant would be the first of 6,000 McDonald's to offer alcoholic beverages. (McDonald's outlets in Germany and France already sell these products.)

State officials will more than likely grant the license, and thus far, there is no local objection. But don't place your order for a Big Mac and a beer just yet.

McDonald's does not anticipate this concept to spread nationally. "It's not going to be experimental. Mammoth is an adult recreation location, and a large number of tourists are in the area," said a company spokesman.

—*USA Today*

NRA SEMINAR SCHEDULE

American Regional Cookery

6/26–27	Detroit, MI

Banquets and Buffets

4/11–12	Tampa, FL
4/17–18	Milwaukee, WI
6/6–7	Los Angeles, CA
6/19–20	Westchester, NY

Simplified Baking Workshop

4/4	Exeter, NH
5/8	New York, NY

Off-Premise Catering

4/9–10	Atlantic City, NJ
4/30–5/1	Las Vegas, NV
5/19–20	Chicago, IL (NRA Show)

Computers in Foodservice: A Primer*

5/19	Chicago, IL (NRA Show)
6/4	New Orleans, LA
6/18	Kansas City, MO

Computers in Foodservice: Advanced Technologies/Now That I Have One . . .*

5/20	Chicago, IL (NRA Show)
6/5	New Orleans, LA
6/19	Kansas City, MO

Perfecting Your Culinary Skills

4/10	Richmond, VA
4/19	Atlanta, GA

Restaurant Design & Facilities Planning

5/19–20	Chicago, IL (NRA Show)

Dining Room Management

4/10	Atlantic City, NJ
4/16	Oklahoma City, OK
4/18	Memphis, TN
5/19	Chicago, IL (NRA Show)
6/4	Newport, RI
6/13	Washington, DC
6/25	Indianapolis, IN
6/27	Wichita, KS

Controlling Food Cost

4/16	Kansas City, MO
5/19	Chicago, IL (NRA Show)
6/18	Salt Lake City, UT

Kitchen Management

4/10	Atlantic City, NJ
4/16	Pittsburgh, PA
4/18	Cincinnati, OH
4/30	Boston, MA
5/2	Binghamton, NY
5/20	Chicago, IL (NRA Show)
5/29	Ft. Worth, TX
6/11	Minneapolis, MN
6/13	Omaha, NE
6/20	Lancaster, PA
6/25	Billings, MT
6/27	Boise, ID

Principles of Labor Cost Management*

4/11	Philadelphia, PA
4/24	Baltimore, MD
5/7	Seattle, WA
5/9	San Francisco, CA
6/11	Dewey Beach, DE

Advanced Labor Cost Management*

4/12	Philadelphia, PA
4/25	Baltimore, MD
5/8	Seattle, WA
5/10	San Francisco, CA
6/12	Dewey Beach, DE

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

4/4–5	New York, NY
5/19–20	Chicago, IL (NRA Show)

Planning and Implementing Restaurant Marketing Strategy

4/2–3	Hartford, CT
4/25–26	Denver, CO
4/30–5/1	Washington, DC

Menu Development

5/20	Chicago, IL (NRA Show)

Creative Merchandising Techniques

4/9	Atlantic City, NJ
5/9	Wilmington, DE
6/4	Tacoma, WA
6/5	Portland, OR

Motivation: Increasing the Desire to Do More and Better Work

4/24	San Francisco, CA
5/2	Minneapolis, MN
5/20	Chicago, IL (NRA Show)

Opening a Restaurant: Before You Start Cooking . . .

4/3	Raleigh, NC
4/7	Seattle, WA
4/9	Portland, ME
5/19	Chicago, IL (NRA Show)

Operational Analysis

5/7–8	Philadelphia, PA
5/19–20	Chicago, IL (NRA Show)
6/19–20	Milwaukee, WI

The Pantry: Prep for Profit

4/26	Detroit, MI
5/1	Las Vegas, NV
5/3	San Francisco, CA

Basic Purchasing

4/2	Los Angeles, CA
4/9	Atlantic City, NJ
4/30	Little Rock, AR
5/7	Des Moines, IA
6/20	Chicago, IL
6/25	Boston, MA

Basic Supervision in Foodservice

4/3	Chicago, IL
4/17	New Orleans, LA
5/8	Milwaukee, WI
6/12	Los Angeles, CA
6/26	Boston, MA

Train the Trainer

4/26	Los Angeles, CA

Wine: Sales and Merchandising

4/17	Atlanta, GA
4/19	New Orleans, LA
5/15	Williamsburg, VA
6/11	Denver, CO
6/28	San Diego, CA

For more information, contact:

NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156

STUDY GROUP MEETINGS

Financial Officers

4/4-6	**San Francisco, CA**

Tax Executives

4/4-6	**San Francisco, CA**

Marketing Executives

4/8-11	**Washington, D.C.**

EDP

4/24-27	**Clearwater Beach, FL**

Safety Officers

4/25-27	**Atlanta, GA**

Quality Assurance

5/8-9	**Arlington, VA**

Purchasing

5/16-18	**Chicago, IL**

MAECO

5/16-18	**Chicago, IL**

Food Service Security Council

7/15-18	**Jackson Hole, WY**

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

* Please note that there are basic and advanced courses on the topics of labor cost controls and computers. These programs are scheduled consecutively but either one can be taken independently of the other.

IN-HOUSE SEMINARS MAY BE ARRANGED UPON REQUEST

If you are going to be the power in your market, you must have the latest and best information on our industry and a staff with the know-how to make it work. There's one sure way to have both. Bring your staff to NRA's Show Seminar Series— McCormick Place, Chicago, Il.

POWER IN NUMBERS

ONE-DAY SEMINARS

MAY 19, SATURDAY

OPENING A RESTAURANT
Before You Start Cooking . . .

If you are gearing up to open a foodservice operation of your own, don't make a move until you attend this new NRA seminar. You'll discover how to map out your business strategy to avoid costly and sometimes disastrous mistakes.

COMPUTERS IN FOODSERVICE
A Primer

By 1990 the computer will be the nerve center of most foodservice operations across America. This computer introduction will bring you up-to-date on how computers are being used in our industry.

CONTROLLING FOOD COST

This seminar hits every area of potential profit loss due to food purchasing, mishandling and waste and will give you a solid review of the basics and a chance to pick up money-saving ideas.

DINING ROOM MANAGEMENT
Creating The Right Environment—Profitably

From daily demands such as handling complaints and scheduling to long-term management goals including motivation and increased check size, you'll get a comprehensive check list to start you on the route to success.

MAY 20, SUNDAY

COMPUTERS IN FOODSERVICE
Advanced Technology/
Now That I Have One . . .

What you can do with it and what it can do for you is the subject of NRA's advanced computers seminar. You'll take an in-depth look at increased profit potential, learn what computers can mean in customer service, and focus on hardware and software systems as well as integrated system design.

MENU DEVELOPMENT
A Key To Improved Sales And Profit

The menu is your number one sales and marketing tool, every decision you make about price, selection and layout will have a direct impact on your bottom line.

This seminar will teach you how to build a successful menu starting with the basics—from menu additions to layout and design.

KITCHEN MANAGEMENT
Basics For Managers And Supervisors

You must have a firm grasp on the wide range of fundamental kitchen management skills required to run today's restaurants.

This seminar provides easy-to-implement, money-saving techniques for improving efficiency and productivity.

MOTIVATION
A Key To Successful Personnel Management

Examines the psychology behind motivation techniques and identifies motivators which work in today's environment. You'll leave this seminar with the information and materials you need to boost productivity in your operation.

TWO-DAY SEMINARS

MAY 19–20 SATURDAY AND SUNDAY

LOCATION, LOCATION, LOCATION!
How To Successfully Negotiate And Finance Your New Operation

Covers the nuts and bolts of the decision-making process from demographic criteria to the intricacies of financing in today's market.

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	NRA members	Non-members
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One attendee	$140	$170
Two or more	$125 each	$155 each
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One attendee	$310	$370
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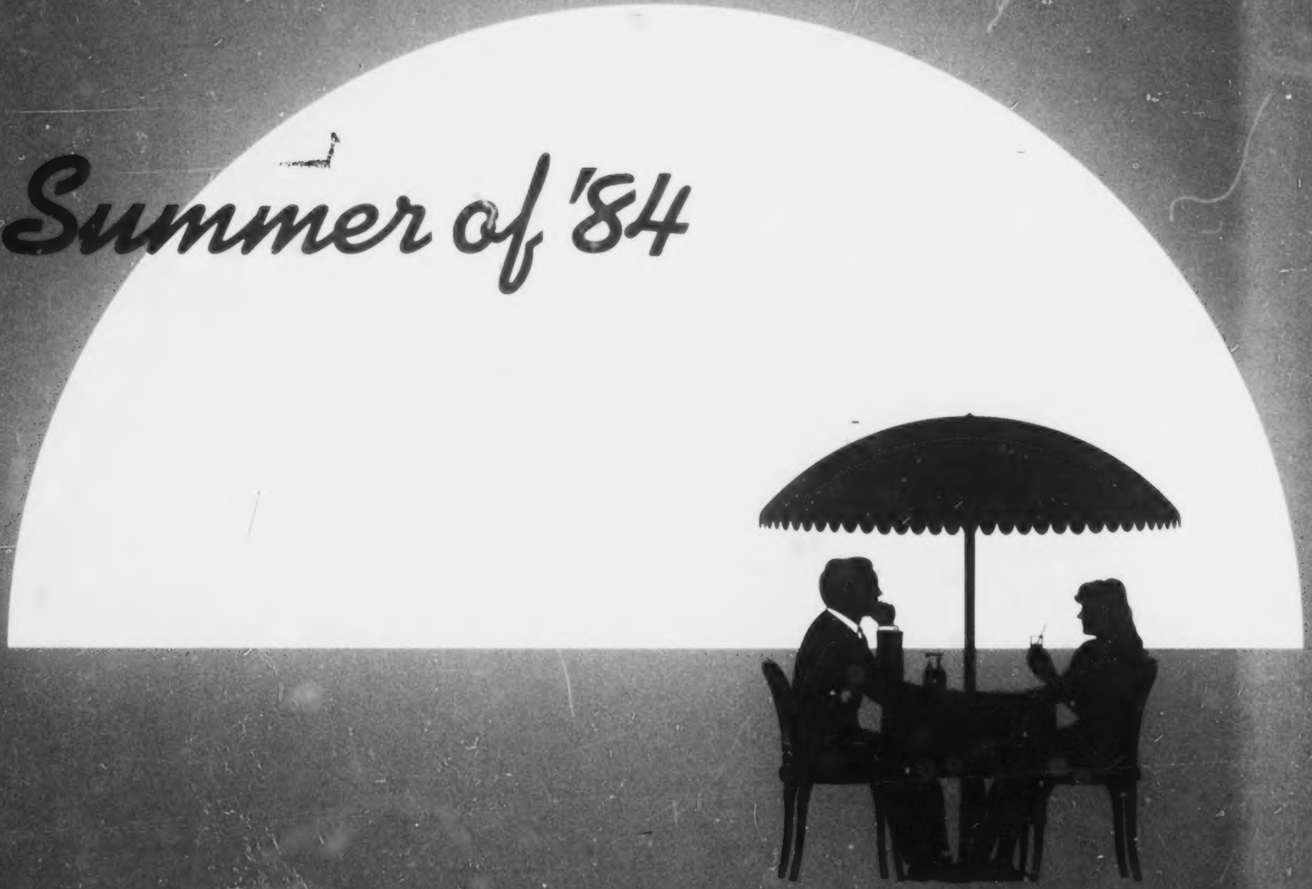
HOTEL INFORMATION

Please remember that hotel space in Chicago during the NRA Show is limited. If you need hotel reservations, contact Lennie Torres at NRA's Chicago office, (312) 853-2525. Be sure to mention that you will be attending the NRA Show Seminars.

National Restaurant Association ☐ Vol. 4 ☐ No. 4 April 1984

NRA NEWS

Special NRA Show Newsletter p. 17



Summer of '84

You can have the hottest spot in town

NRA presents the university of foodservice operations

There's no doubt that the 88 thousand foodservice people attending the NRA Show next month will have the time of their lives. Entertainment planned for those great days in Chicago include appearances by country and western singer John Conlee, lead singer of The Platters Tony William and first lady of the American theatre Helen Hayes, and events like The Main Course Race, the President's Banquet and the "Dinner of the Century."

But there's more to this great convention than just a good time. The NRA Show is the most important educational experience our industry has to offer. The list of guest speakers includes Alfred Kahn, former chairman of the Council on Wage and Price Control; Hugh Sidey, contributing editor to *Time* magazine; Wayne Dyer, author of *Your Erroneous Zones;* and Kenneth Blanchard, author of *The One Minute Manager.* The list of subjects to be covered in seminars and in the Management Clinic ranges from controlling food costs and motivating employees to gourmet burgers and pasta preparation.

The ultimate educational experience, however, is the 10 acre exhibit floor itself. Thirteen hundred exhibitors will display six thousand products and services. Just by walking the floor, looking around you and talking to the exhibitors, you will learn about the latest foods, preparations, techniques and equipment. Just by exchanging comments with the individual to your right or left, you will learn the opinions of the leaders in our industry.

To enroll in this university of foodservice operations, bring yourself to McCormick Place in Chicago, May 20-23, and register for the 65th Annual Restaurant, Hotel-Motel Show.

Mike O'Neal

Michael O'Neal
Chairman, Convention Committee

Vol. 4 No. 4 April 1984

NRA NEWS

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Bette B. Hoyt
Cathy Kenney
Susan F. Mills
Robert A. Palmer
Andrew P. Poledor
James T. Rogers
Editorial Typists
Barbara Foley
Valerie Pines

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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This issue of the ***NRA NEWS*** zeroes in on the unique nature of summer and seasonal business. What most restaurants take all year to accomplish, seasonal restaurants must carry out in a few short months. From promotions to employee training, all parts of the operation must run smoothly. With such a focus on efficiency, there are plenty of solid pointers for year-round operators as well.

7 How to attract customers is a burning issue. Here are some promotion ideas, with a box of tips for attracting the summer traveler.

10 Seasonal specialties can add to a restaurant's offerings.

14 How to hire, train and motivate seasonal employees.

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34 Summer eating patterns and spotlight on late spring and summer holidays. *(Foodservice Trends)*

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SHORT ORDER

Restaurateurs support a happy graduation

Graduation is usually a happy time. There are proms, and all kinds of outings which bring the graduating class and their dates to your restaurant during May and June.

Those youngsters often travel by car. They may think it is smart to celebrate by drinking too much. The result could be disaster.

Each Spring MADD (Mothers Against Driving Drunk) sponsors *Project Graduation*—a program designed to remind people celebrating graduation day about the drinking age and the dangers of driving while intoxicated.

NRA and MADD disagree on some issues. But we do agree that incidents of drunk driving should be reduced. If you sell alcoholic beverages, NRA urges you to support *Project Graduation*.

Your involvement could be twofold—a program for your restaurant and a community campaign. Within your establishment gear the program toward reducing peer pressure. Feature exotic, non-alcoholic drinks. Also brief your staff on the potential problems. Ask the high school art department to create theme posters for your restaurant.

Create interest in a community campaign by working with the local high school, civic clubs and media.

National Safety Council program

It is up to you and your employees to make sure your restaurant is run safely, efficiently and professionally; and the National Safety Council has some new materials that will help. It has produced a safety program starring two endearing characters—Dudley and Dooley. The program consists of four employee booklets in the areas of housekeeping, foodservice equipment, employee safety and fire prevention; four posters and four payroll stuffers. All promote safety practices.

For more information about this accident prevention program, contact: The National Safety Council, P.O. Box 11933, Chicago, IL 60611.

Calendar of seasonal foods for 1985

If you want to know what foods are in season each month of the year in the United States and Canada, you can get some idea from "The 1985 Calendar of Seasonal Foods" to be published by Saltari Press in September.

This wall calendar, with original watercolor illustrations, lists more than 700 foods in such categories as fruits, vegetables, wild mushrooms, wild edible plants, fish, seafood and cheese.

It will be available through mail order catalogs as well as food, cookware, book, stationery and gift outlets. The suggested price is $8.95.

National Conference for Food Protection

A National Conference for Food Protection will be held in Washington, DC, May 9 to 11, 1984. The conference is being designed to identify the needs, directions and opportunities of food protection, processing, handling and regulation through the year 1990.

Seven major areas have been selected for discussion at the conference. They are toxicology, microbiology, food processing, food preservation, regulation, education and training, and new foods.

Foodservice representation is necessary to assure proper presentation of the industry's efforts in food protection and its desire for responsible, practical and effective regulations.

For additional information on the conference, contact Andy Poledor, director of technical services in the Chicago office at 312/853-2525, Ext. 524 or 532. NRA's Chicago office is located at One Park Place, Suite 2000, Chicago, IL 60601.

NRA in Action

NRA Show agenda set

Plan to attend NRA's Restaurant, Hotel-Motel Show, May 19-23 at Chicago's McCormick Place. For a look at the exciting program planned for the Show this year, turn to the *Show Newsletter* in the center of this issue.

NRA testifies on Capitol Hill

In recent testimony before a Senate finance panel, NRA supported a five-year extension to the targeted jobs tax credit (TJTC). For more information on the status of TJTC, see *Washington Report* this month.

NRA NEWS plans new column

Beginning with the May issue, *NRA NEWS* will intitiate a new column, "How's Business." Each month *NRA NEWS* will conduct brief, informal interviews with members nationwide. "How's Business" will report on those interviews to give NRA members an idea of how business is faring for their counterparts across the country.

NRA Conference Series scheduled

NRA's 1984-85 Conference Series will include the National Conference on Marketing, Advertising and Promotions; the annual California Wine Workshop; the National Conference on Catering; a national management conference for independent operators and the National Conference on Computers in Foodservice. For more information on the National Conferences, contact NRA's education programs department.

WASHINGTON REPORT

TJTC: Senate Finance Committee approves 3-year extension

An intensive campaign launched by NRA and other business groups to extend the Targeted Jobs Tax Credit (TJTC) met with success on March 15, when the Senate Finance Committee approved a $48 billion deficit-reduction package containing a three-year reauthorization of the credit.

Unless Congress acts to extend it, the credit will expire at the end of this year. The credit offers employers an economic incentive for hiring individuals from nine targeted groups, including the handicapped and economically disadvantaged youth. NRA estimates that the foodservice industry employs nearly a third of those individuals certified for the TJTC program.

The finance committee originally approved a two-year extension of the credit on March 14, but then in a late-night session the next day it opted for a three-year extension. The committee package must now be approved by the Senate and then would go to a House-Senate conference committee if the House adopts a similar tax package approved by the Ways and Means Committee on March 1. However, the Ways and Means package does not contain a TJTC extension provision, which means that a final tax bill might not include a full three-year extension.

Hardee's Group Executive Vice President Richard Sherman, left, gives NRA testimony on TJTC before a Senate subcommittee as another NRA member, Merrill Cohen, right, awaits his turn to speak.

Although the House panel did not include extension of TJTC in its tax package, Ways and Means member Charles B. Rangel (D-NY) has offered a bill (H.R. 5094) that would extend the credit for five years.

Rangel's bill would also make two major changes to the credit: It would raise the ceiling on eligible wages from $6,000 per year to $10,000 per year, and it would raise the income level for determining whether an individual is economically disadvantaged from 70 to 80 percent of the Bureau of Labor Statistics' lower living standard. The two changes, Rangel said, would encourage the credit's use among higher paying industries and make the income eligibility standard more realistic.

The administration has proposed a one-year extension in its fiscal 1985 budget, but Rangel has said that "without a long-term extension, this credit cannot and will not reach maximum efficiency and will eventually die."

NRA testifies in favor of TJTC . . .

NRA went on record in support of extending TJTC on March 2 when it testified before a finance committee panel chaired by Sen. John Heinz (R-PA). Heinz is the sponsor of a bill (S. 2185) to extend the credit for five years. NRA's testimony was presented by Richard Sherman, group executive vice president for Hardee's Food Systems, Inc.

NRA and other business groups testified that the credit has been an effective incentive for employers to hire individuals that generally have a difficult time finding employment. Targeted individuals include the handicapped, welfare and Social Security recipients, economically disadvantaged Vietnam veterans, economically disadvantaged ex-convicts and economically disadvantaged youth.

NRA noted that foodservice jobs are particularly well suited to members of these targeted groups, many of whom have little or no job experience. "Foodservice jobs provide valuable experience and training and add to an individual's ability to advance or pursue other career goals. For many who have been dependent on government subsidies, a job in foodservice means a chance to establish self-sufficiency and self-esteem—a chance to become a productive, taxpaying member of society," NRA said.

NRA also argued that TJTC has helped operators preserve jobs that otherwise would have been eliminated as a result of increases in the minimum wage.

One of the major arguments against extending the life of TJTC has been that it is a drain on the Treasury. Senate Finance Committee Chairman Robert Dole (R-KS) stated during the March 2 hearing that a five-year extension would cost $1.5 billion.

But NRA and other TJTC proponents have noted that the cost of the credit is offset by government savings that occur when a worker is taken off government subsidies and placed in a job. Employment also means additional revenue in federal income and FICA taxes.

Tax bill may mean higher costs for restaurateurs

The House Ways and Means Committee, working towards a goal of raising $50 billion in new revenue over a four-year period, has approved a 36 percent increase in the federal excise tax (FET) on distilled spirits. It also adopted a provision that would count all tip income reported by an employee as taxable wages for federal unemployment tax (FUTA) purposes.

NRA opposes both of these proposals and is working to strike them from any House-Senate compromise that might emerge later this spring.

The Senate Finance Committee also has adopted a tax bill that includes an increase in the tax on liquor, although the increase would not be nearly as much as what the Ways and Means package calls for. The Senate panel has not acted on any changes to the FUTA tax.

These tax increases are part of a plan to make a "down payment" on huge federal deficits that threaten to choke off future economic growth and investment. With equal parts of tax increases, domestic program cuts and defense spending reductions, the total savings over a four-year period could reach $150 billion.

Under the House Ways and Means Committee proposal, the excise tax on distilled spirits would be raised from $10.50 a gallon to $14.25 a gallon—an increase of $3.75. The increase was engineered by U.S. Rep. James G. Martin (R-NC) as a trade-off for a four-cent per package reduction in the federal tax on cigarettes.

The Distilled Spirits Council of the United States (DISCUS) estimates that a 36 percent FET increase will result in the loss of some 18,000 jobs. DISCUS says thousands of small businesses would face economic difficulty and even bankruptcy—many of them small taverns.

NRA agrees that it is important to reduce the deficits but believes taxes on distilled spirits are already too high. Forty-three percent of the average retail price of alcohol is accounted for solely by tax—the federal share is 24 percent, the highest for any major excise-taxed product. A 36 percent FET increase will result in a federal tax payment that is *greater* than the total supplier cost (including profits) for a typical bottle of spirits.

The provision to count tips as taxable wages for FUTA was introduced by Rep. Marty A. Russo (D-IL), apparently to encourage states to provide unemployment benefits to tipped employees on both cash wages and reported tips.

Under current law, an employer must pay FUTA taxes only on tip income that is used to satisfy a tip credit against the minimum wage. Under the Russo provision, FUTA taxes would be paid on cash wages reported tips.

Although the maximum annual wage base for FUTA is just $7,000, the Russo amendment would mean higher FUTA payments for many foodservice employers. Because of high turnover in the industry and the large number of part-timers, many employees do not reach the $7,000 threshold under current law. Under the Russo proposal they could.

NRA believes this change unfairly singles out the restaurant employer, who would be forced to pay taxes on income he or she does not provide.

Finance Committee approves correction to tip reporting law

On March 8, amid work on a $48 billion deficit-reduction package, the Senate Finance Committee approved three technical corrections to the 1982 tip reporting law.

The changes in the tip reporting law are one of 33 "technical corrections" approved by the committee during markup of its $48 billion tax bill. Senate floor consideration of the bill was expected in early April.

The corrections were proposed by finance chairman Robert Dole (R-KS) and had been discussed during a meeting with NRA last December. The corrections would

- allow a restaurant to "prove down" the eight percent allocation threshold to as low as two percent (under the current law, the allocation threshold can be reduced to no lower than five percent)
- permit a majority of the tipped employees in a restaurant to petition for an allocation reduction (under the law, only an employer may apply for a reduction) and
- require the Internal Revenue Service (IRS) to identify more precisely the applicable recordkeeping requirements for tipped employees.

In a message delivered to the Senate Finance Committee on March 2, NRA reaffirmed its commitment to the three changes, although it noted that employees should not be allowed access to confidential employer records when petitioning for an allocation reduction.

NRA also asked the committee to consider instructing IRS to change its regulations to reflect the exact language of the law with regard to employer reporting of total charged receipts.

The law states that an employer must make an annual report of total charged receipts. However, the IRS regulations require that an employer report total charged receipts *on which there are charged tips*. In making this new requirement, IRS goes beyond the intent of Congress, NRA said.

Accounting for charged receipts with tips on them places an unreasonable burden on restaurateurs, who must painstakingly separate out each charge slip on which there is a tip from all other charge slips, NRA said. NRA argued that the IRS requirement will give the IRS an inflated average of the actual tipping practices in the establishment, since such information will not take into account those cases where a customer leaves no tip or leaves his tip in cash. "This figure will be of little value to the IRS in obtaining real charged sales averages, and it will be of little help in the future IRS studies mandated by the law. We believe IRS should be instructed to change its regulations to reflect the actual language in the statute."

However, Sen. Dole did not include this NRA recommendation in his amendment.

—Jay Morris

THE LAW

Liquor liability—a growing problem

The public is taking drunk driving seriously.

Social action groups, such as Mothers Against Drunk Drivers, Remove Intoxicated Drivers and Students Against Driving Drunk, are enjoying greater influence. State legislators are responding by stiffening penalties and increasing enforcement. And new attention is being paid to the legal responsibility of the restaurateur or tavernkeeper in curbing drunk driving.

State statutes everywhere make it illegal for a liquor licensee to serve alcohol to an already intoxicated individual. Infractions of these laws are punishable by fines or revocation of the liquor license. State laws vary, however, as to the licensee's responsibility to persons injured when the intoxicated patron leaves the establishment and enters the road.

In the 19th century, the intoxicated person bore sole responsibility for his or her actions. High-speed automobiles were not a problem, but difficulties of a more domestic sort started the erosion of this old rule. The first so-called "dram shop" laws were created to protect the families of "habitual drunkards," and provided that tavernkeepers were financially liable to the family if they continued to serve a patron after being notified of his intemperance by his spouse or children (or even by his employer). Several states still have such laws on the books, but later dram shop laws—products of the automobile era—were concerned primarily with injuries to strangers. These dram shop laws (now in effect in 23 states) make a liquor licensee liable for injuries caused by intoxicated patrons to third parties; they make the commercial alcohol server partly responsible for the actions of the individual.

While these legislatures were modifying the old rule by statute, courts in other states were changing it on their own. Citing public policy considerations, courts in 18 states have chosen to recognize a third-party cause of action against a liquor licensee even in the absence of a specific dram shop law. This so-called "common law liability" is rooted in negligence: liquor licensees have a duty to the public to prevent overservice and may be sued if they carelessly breach that duty. Over the years, courts have expanded third-party liability for injuries involving industrial equipment, hazardous substances and consumer products. The expansion of liquor liability is part of this trend.

> ***"In the near future, operators should expect continuing expansion of dram shop and common law liability."***

Proponents of dram shop or common law liability argue that alcohol servers should be subjected to the threat of suits because businesses that profit from the sale of liquor should be partly accountable for the social cost of liquor sales and because, without such a threat, alcohol servers would be less willing to educate their employees or to establish service standards to prevent intoxication.

Opponents of liability note that financial incentives other than lawsuits already exist. Alcohol servers may suffer fines or loss of their licenses for violations of laws prohibiting overservice. Large jury verdicts also drive up the cost of liquor liability insurance, forcing some operators to drop such coverage and possibly even lose their businesses if faced with a sizable judgment in favor of an injured plaintiff.

Dram shop laws also vary substantially from state to state, making the potential exposure of multistate operators highly unpredictable. Some of these laws preempt common law liability or set maximum limits on liability, two features that have caused restaurateurs to *favor* dram shop proposals in some limited circumstances. Not all dram shop laws have these elements, however, and some operators have found themselves subject to both dram shop and common law causes of action, giving a plaintiff two chances to recover. A few dram shop laws include social hosts. Some cover sales to minors but not to adults. Others even provide recovery for injuries sustained by the intoxicated person. Standards in these laws are inconsistent, with servers liable for selling to "intoxicated," "visibly intoxicated," or "apparently intoxicated" patrons, depending on the wording of the state law.

Probably the biggest complaint against dram shop or other forms of server liability is that these laws do not strike at the root of the problem. They randomly punish overservice, but do not address the larger issues of individual responsibility and the prevention of alcohol abuse.

In the near future, operators should expect continuing expansion of dram shop and common law liability. Courts in the states that have neither will be increasingly receptive to public pressure, and decisions from several of these states indicate that, if presented with the right case, the courts would have no difficulty overturning existing precedent and finding liability. State legislators, fresh from raising drinking ages and drunk driving penalties, may be ready to tackle dram shop proposals as well.

Retail servers of alcohol recognize that they have some responsibility to curb drunken driving and that the industry must regulate itself or face greater legislative and judicial intervention. NRA is taking the lead in this effort and foodservice operators are joining the movement to educate servers and patrons about the effects of alcohol and its responsible service and consumption.

—Robert Palmer

NRA takes action on Drunk Driving

BAR
TAXI
TAXI

Restaurants and taverns dispense one quarter of the alcoholic beverages consumed in this country. That's a smaller percentage than most people imagine.

In fact, many people automatically connect drinking with the bar in a restaurant or tavern. That may be why the growing number of Americans concerned about drunk driving are looking askance at our industry.

Currently there are more than 300 bills in local, state and federal legislatures dealing with the sale of alcoholic beverages. These bills would raise the drinking age, reduce the hours of sales or increase excise taxes. They would penalize the industry, but unfortunately, there is no reason to believe they would affect incidents of drunk driving.

What can the foodservice industry do to

1) help in the national effort to reduce drunk driving and

2) defend itself against unwarranted legislation and litigation?

That was the problem NRA's Task Force on Alcohol Awareness addressed last month when it met in Washington, DC. Its response—now endorsed by NRA's governing body—was threefold:

- the careful assessment of alcohol service practices
- the development of a server education program in regard to alcoholic beverages and
- the involvement of NRA in ongoing consumer awareness campaigns concerning use of alcoholic beverages.

In announcing NRA's response to the drunk driving problem, association President Joe R. Lee said, "We believe in the moderate and prudent dispensing of wine, beer and spirits. NRA will actively encourage programs and practices in restaurants and taverns that reduce the likelihood of overconsumption and drunk driving."

The association is calling on those members who sell alcoholic beverages to establish "designated driver" and alternative transportation programs, to serve snack food at the bar and to check guest identification regularly.

NRA will discourage "all you can drink" offers, multiple drink offers, multiple drinks at cut-off time and unlimited free drinks—practices that are perceived to foster overconsumption. The association will distribute materials that will help members create programs and bar promotions in keeping with the national goal of eliminating drunk driving.

NRA will also conduct a workshop designed to teach foodservice operators how to deal with situations that could lead to drunk driving. The program will train managers to teach staff about state laws as well as the physical effects of alcohol, the visible signs of overconsumption and methods of preventing intoxication.

NRA and state restaurant associations will offer this workshop in every state that does not already have a server awareness program in place. "Our object," said Lee, "is to make training for servers available in every region of the country.

"Prudent alcoholic beverage service alone, however, will not solve the problem. The solution lies in convincing the individual consumer that driving while intoxicated is anti-social behavior," Lee added.

"Therefore NRA is committed to working with national organizations already involved in alcohol awareness programs."

Lee announced that NRA will participate and coordinate with the Licensed Beverage Information Council (LBIC), a coalition of associations connected with the production and dispensing of wine, beer and spirits and dedicated to public education on alcohol issues. LBIC is sponsoring the successful "Friends don't let friends drive drunk" campaign.

NRA will also lend its support to Students Against Driving Drunk (SADD), a national organization with 7,000 chapters dedicated to teaching students about the prudent use of alcohol.

Lee said that NRA will jointly sponsor projects with Mothers Against Drunk Drivers (MADD). Planned projects include the production and distribution of a public service announcement advising consumers to arrange safe transportation before ordering drinks away from home.

"DWI is a broad social problem that goes far beyond the foodservice industry," Lee said. "But NRA is prepared to join in the effort to change our society's attitude toward drunk driving." ❑

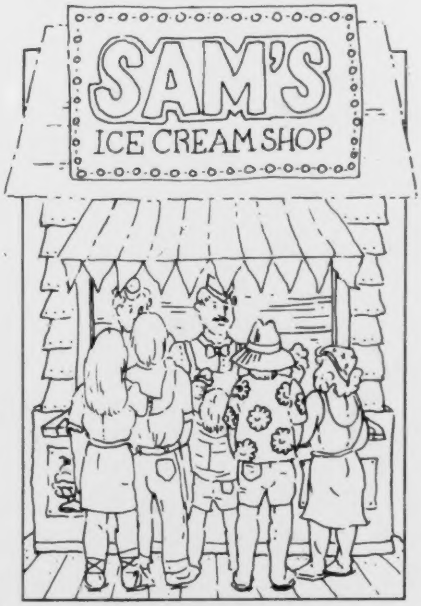
You can have the hottest spot in town

by Kathy Boyle

It's almost summer. There's no time to lose getting ready for the summertime crowds, especially if the whole year's revenues are made in these few short, fast-paced weeks. With short seasons and many fixed costs, seasonal restaurants are faced with a great many challenges in order to survive. Heading the list, of course, are sales—how diners will learn about the restaurant.

"We used to be the only show on the beach. That just isn't true anymore. We're very competitive and advertise heavily on the radio, probably more than most people realize, and in all the featured flyers," says Lloyd Byrd, general manager of Phillips Crab House in Ocean City, MD. Phillips is a rambling restaurant that has grown with the business' popularity.

Keeping pace with changing tastes and ever mindful of its image as a family seafood house, Phillips pays close attention to its menu. As the Ocean City resort has grown, Phillips has seen stiff competition move in in the form of fast food operations whose low price image, Phillips maintains, has drained off some of its traditional family business. To counter this trend, this year Phillips has added several new and cheaper entrees especially for children. "We have a whole meal from hot dog to ice cream, all inclusive on a captain's hat," says Byrd.



Another idea Phillips uses to catch the public's attention for that short period they are vacationing at the beach is its new costumed character "Phil the Crab," who marches in all the local parades and is on hand at the Crab House to greet children and give out balloons.

Ads, brochures and word-of-mouth recommendations . . .

"We use the Maine kiosk system on Route 95 to advertise our inn to tourists unfamiliar with the area," says Ben Lawlor, owner of the Old Village Inn in the seacoast town of Ogunquit, ME. "Also, we publish our own brochure to hand out to tourists." The inn, built in 1833 as a private home, has five dining rooms, two sitting rooms and a glass greenhouse in the back, facing onto the river and ocean. Antiques, fireplaces, original Audoubon and Selby bird prints and even the inn's own picture on the front of *The Saturday Evening Post* project a cozy warmth. To quickly seize the public's attention as they drive or walk by, an updated, glassed-in front porch wraps around the front and side of the building. "Our advertising is virtually non-existent in the winter," says Lawlor, "but in the summer we spend a good 10 percent of sales on advertising. Also, our Chamber of Commerce publishes a guide to local activities, which really helps," says Lawlor. "In addition, to get the public's attention before they get to Maine, we always advertise in the Boston *Globe's* special edition on resorts published each May. But, our biggest success is with repeat tourists and their word of mouth recommendations."

Frank Hannah, owner of Hannah Systems, which operates two restaurants on the Eastern shore—Harpoon Hannah's, (Fenwick Island, DE) which stays open year-round, and the

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Summer travel should be up in 1984

The summer traveler can provide a good source of business for restaurateurs. And this may be just the year to develop that business.

Several factors are expected to help boost domestic travel

- **increased consumer confidence**
- **a strengthened economy**
- **interest generated by both the New Orleans World's Fair (May 12-Nov. 11) and the Los Angeles Olympics (July 28-Aug. 12) and**
- **an aging population with more free time to travel.**

The Conference Board, an organization that tracks consumer confidence, reports that, of respondents recently surveyed, close to half intended to take a domestic vacation in 1984.

Marina Deck (Ocean City, MD)—which is closed in the winter, agrees. "Word of mouth advertising is the beach restaurateur's greatest asset," says Hannah. "The biggest single attention grabber is word of mouth recommendations of locals and hotel clerks. Each year, when we are ready to open the Marina Deck, usually the Wednesday before Easter, we hold an opening night cocktail party. We invite our good customers and anyone else who is in a position to recommend the restaurant. Primarily, this means hotel clerks. We make up invitations for the event, and then I personally go around and meet the people who work at the hotels. And, of course, I invite the owners of the hotels, too."

Certainly a novel idea for getting sunbathers' attention, one used for many years on the Maryland and Delaware shore, is advertising on a banner flown behind an airplane up and down the beachfront. Frank Hannah uses this technique regularly to tell tourists, "the name, location and special products my restaurants offer."

Convention bureaus and Chambers of Commerce . . .

Coping with the off-season is a major dilemma for the resort restaurateur. Not everyone is as fortunate as the Old Village Inn to be listed in *The Country Guide to New England*, which really bolsters off-season sales. Often the local Chamber of Commerce or the convention bureau can be a big help in lining up off-season business. "In Ocean City, the convention bureau is a major factor in developing off-season business," maintains Frank Hannah. "They not only help book conventions, but they also put together a thorough directory of convention dates and groups coming into town, including the names and phone numbers of group contacts."

According to Bruce Burkland, spokesperson for Marriott Hotels, convention business can keep sales up year-round. "We don't really operate any seasonal restaurants," says Burkland, "but, of course, we have

e Cream
Sam's

10 tips for targeting the summer traveler

To increase your share of summer travel business

1. Reach travelers before they leave home by advertising in lifestyle magazines like *Travel & Leisure, Travel/Holiday, Cuisine* and *Food & Wine* or city publications like *New York, Los Angeles* and *The Washingtonian.*

2. Find out which states provide the most travelers to your particular area. Your local visitors and convention bureau or Chamber of Commerce can often provide this information. Then, consider advertising in the major newspapers in those areas.

3. Locally, advertise in visitor publications that are distributed in major hotels and make certain you're listed in restaurant guides produced by your local Chamber of Commerce or visitors and convention bureau

4. Work with local tour operators to include your establishment as part of their incoming group tour; package tours are up 20 percent this year, and most include meals at restaurants.

5. If you're after a family market—a prime prospect for summer travel—consider offering a special children's menu.

6. Adopt a European tradition by establishing a special summer travel fixed price menu.

7. Keep a guest register for out-of-town diners and encourage their repeat business with a follow-up mailing; your mailing might thank them for their patronage and request that they drop by on their next trip.

8. If your area attracts a sizable number of foreign travelers, develop a bilingual menu or translations for key menu items.

9. Give your traveler/customers something to remember you by; it can be something as inexpensive as a postcard to mail home to a friend.

10. Consider accepting non-cash modes of payment. Given our highly mobile society, travelers have become increasingly aware of the security offered by travelers cheques and charge cards.

—Betsy White Ludlow
Director of Restaurant Industry Marketing, American Express

restaurants in hotels that have peak and off seasons. We use many marketing and promotional tools throughout the year to keep business up, and we rely on our convention business. We offer special drinks in our cocktail lounges, like hot drinks in winter or coolers in summer. We use special family rates for children or offer children under 12 a free breakfast. We encourage local business by catering weddings and parties. And, as part of our sales and marketing program, the staff at each hotel works to sell the geographic area through the local convention bureau."

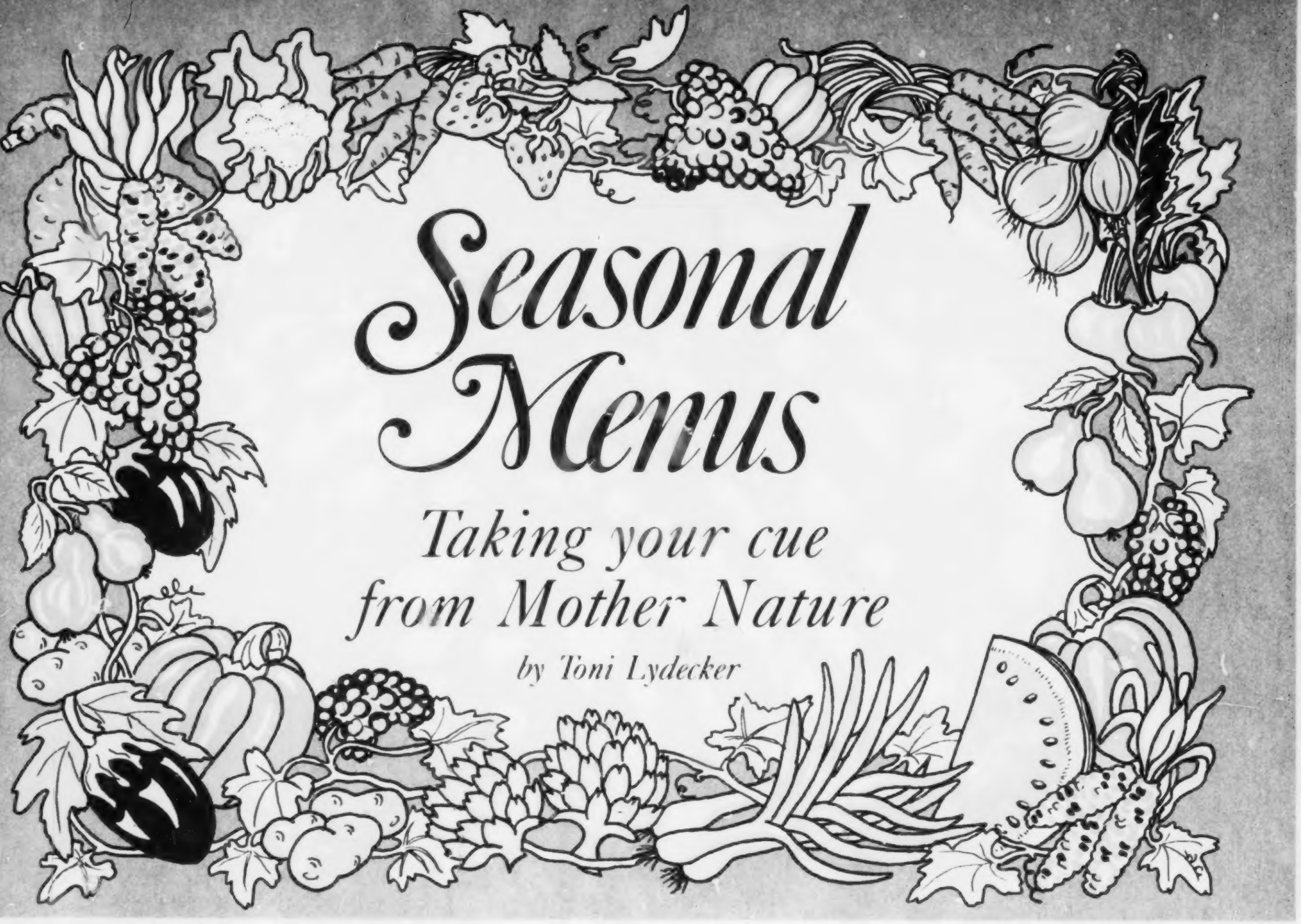
Working with competing restaurants to sell the area as a vacation site can really bring financial rewards. Promoting a location, as well as a restaurant, is part of running the business for the isolated Salishan Lodge in the Gleneden Beach area of Oregon. The Salishan Lodge, situated in a 700-acre forest preserve on the Oregon Coast, is a 150-room resort designed to blend and complement the environment. The lodge's architecture is planned to make the building look as if it "sprung from earth," according to Sarah Agre, advertising manager. Even the landscaping is natural foliage, and the lodge boasts art and sculpture by Northwest artists. But, the naturalism stops here. The three restaurants and extensive wine cellar are definitely gourmet, winning the only Mobil five-star resort award in the Northwest—an award the lodge has maintained for 17 years. It also recently won the Holiday dining award for one of the 12 finest wine lists in the U.S.

Culinary distinctions and direct mail . . .

The lodge uses culinary distinctions to draw customers in the off season. The Salishan sponsors and advertises a midwinter escape with golf and tennis and includes a dining discount as part of the package. "It does help," reports Bill Sink, manager of the gourmet dining room. The lodge also promotes tours of the wine cellar and wine tastings. "We have more than 33,000 bottles and run tours of the cellar continuously," says Sink, who often arranges tours of the wine cellar on request. It's that type of personal touch that wins repeat business, he argues.

Direct mail pieces to former customers is a popular practice with resort hotel owners, and one that can be easily adopted by other restaurateurs as well. Many convention bureaus routinely give local businesses the names and addresses of tourists who have contacted them for information. Another successful way to develop a mailing list is to sponsor a contest that requires customers to fill out their names and addresses. During the slow times summer employees can enter these names and addresses on a computer or on mailing labels for a winter followup to announce the winner and remind customers of the restaurant. ❑

Editor's note: For insights into summer eating patterns, turn to "Foodservice Trends" in this issue.



Seasonal Menus

Taking your cue from Mother Nature

by Toni Lydecker

There's nothing quite like tasting the first peas of spring or sitting down to a hearty venison stew on the coldest day of the year. Restaurants that bring the best of the season's bounty to their tables are rewarded by customers who savor the experience, remember and return.

Thanks to sophisticated agricultural methods and distribution networks, many foods that used to be strictly seasonal now arrive on our doorsteps year around. It is pleasant to think we can eat whatever we want, without heed of the season, but the reality may be a letdown. Despite the marvels of hybrids and hydroponic growing, no one would argue that a hothouse tomato consumed in December is comparable to a thin-skinned, local beauty that ripens to perfection in August. Nor can modern storage technology produce a May apple that tastes as good as one eaten within a few weeks after picking.

The fact is that Mother Nature cannot be vanquished entirely. Many foods—fruits, vegetables and seafood, in particular—reach their peak in production and quality only at certain times of the year. Happily, this is also when prices normally dip lower. From the standpoints of quality, availability and economy, then, it makes good sense to rely heavily on foods naturally on hand at each season.

Tapping into traditions . . .

There is a second category of seasonal food: things we eat at certain times of the year for reasons of preference or tradition rather than conformance to a natural cycle. People eat more beef and pork during the cold months, turning instead to poultry and fish as the weather warms. Summer brings a craving for salads, cooling drinks and ice cream.

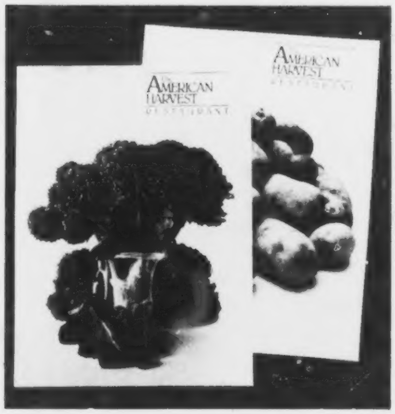
Traditional holidays also play a major part in seasonal tastes. Consumption of turkey shoots up predictably at Thanksgiving and Christmas, although that meat is available year round. Similarly, attempts to convince consumers that spring lamb can be had any time of the year fall largely on deaf ears; the public continues to associate lamb strongly with the spring holidays of Easter and Passover.

To the delight of their customers, many restaurants are beginning to serve the foods that are best suited to each season of the year. Increasingly, they are presenting these items, not as a little extra, but as a significant portion of menu offerings. Often all that is required is a willingness to take advantage of abundant supplies of foods during the appropriate seasons. But that initial venture may develop into a passion for finding suppliers who can deliver the best and freshest seasonal goods.

Promoting seasonal foods through menus is a natural next step. After all, if fresh soft-shell crabs and cobbler made from local peaches are a restaurant's choicest mid-summer offerings, why leave the task of communication to a busy waitress who could easily forget to mention them or a scribbled flyer clipped to the menu? By incorporating the items into the regular menu or developing a special menu, a restaurant can create a flurry of excitement about its food during each season of the year.

Changing menus to reflect the seasons . . .

Including seasonal specialties in the regular menu works well when those kinds of foods represent a major and continuing emphasis of the restaurant. That is definitely the case with the Vista International Hotels' American Harvest Restaurants, which take care in choosing seasonal ingredients and want customers to appreciate them.



Going one step beyond seasonal, the restaurant changes their menu entirely each month. The simple but beautifully photographed cover may feature a blue-green, glistening bouquet of broccoli in December—followed by a colorful mound of citrus fruits in January. Inside, the menu items consist exclusively of American dishes made with seasonal ingredients, and they range from the traditional to the innovative. For a Thanksgiving feast, guests could precede a serving of chestnut-stuffed turkey with a more adventuresome choice of appetizer, perhaps acorn squash fritter with a tarragon tomato sauce or game mousse with cranberries. Fall vegetables, such as glazed yam slices with bourbon and braised leeks, disappear in the spring, to be replaced by choices of new potatoes with dill, baby carrots or stir-fried asparagus.

A short, chatty essay in a corner of the menu reinforces its seasonal thrust by offering information about the featured food. On the subject of potatoes, for example, the menu describes several basic varieties and methods of preparation appropriate to each. In addition, guests learn historical tidbits, such as how potatoes were stored in root cellars in times past.

Although the menu must be altered and reprinted each month, the management believes the benefits outweigh the expense and trouble. "Our guests like it—they come back each month to see what's new," says Frederick Rufe, director of food and beverage planning and development. Featuring a different food each month helps give continuity to the menu design, even as it changes. Moreover, the covers are so attractive that many customers take them home to use as kitchen posters, according to Rufe.

Adapting the menu . . .

The American Harvest Restaurants' approach to creating a seasonal menu is not for every operation. The design and printing costs for an elaborate menu that changes so frequently could mount up quickly, perhaps too quickly to make it profitable for many restaurants. The two examples that follow show how to keep costs within an acceptable range through changing the menu less frequently or choosing a format that can be altered with ease and minimal expense.

Given its name, it is not surprising that the Seasons Restaurant in the Bostonian Hotel planned from the beginning to make lavish use of seasonal foods. Here one can begin a winter meal with a terrine of game with fennel, while in summer a bowl of lobster chowder, made with fresh corn scraped off the cob, may prove to be irresistible.

At the outset, the hotel commissioned an artist to do four sketches inspired by the seasons. These are used as covers on the menu holders, and they are hung as prints in hotel rooms. Colored tassels attached to each cover tell the wait staff whether the menu inside is for breakfast, brunch, lunch or dinner. Although the initial investment was sizeable, the restaurant now possesses handsome, four-color menu holders it can reuse year after year; the menus themselves, which are printed in only one color, are relatively inexpensive to produce.

The restaurant keeps its wine list in loose-leaf form, so that it can be updated readily to reflect the seasons. "We add more crisp whites during warm weather and full-bodied reds for the cold months," says Food and Beverage Director Patty Webster.

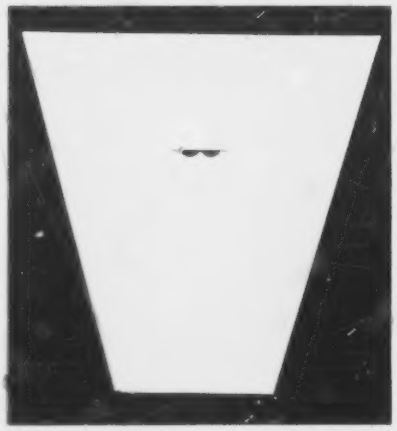
A hazard of featuring only a small number of seasonal foods in the regular menu is that they may become lost among the other offerings. Restaurant Margaux in Manchester, NH, solves this problem by segregating its handful of seasonal dishes in a prix fixe section that appears alongside a la carte items in a single, all-purpose menu. Manager Robert Le Jacq reports that the prix fixe menu has proven to be a "great marketing tool" and, because of the menu's no-nonsense format, the cost of providing it is not exorbitant: Only the prix fixe section (about half of a page) is printed each month, and it is then attached by means of small white clips to a space on the menu deliberately left blank.

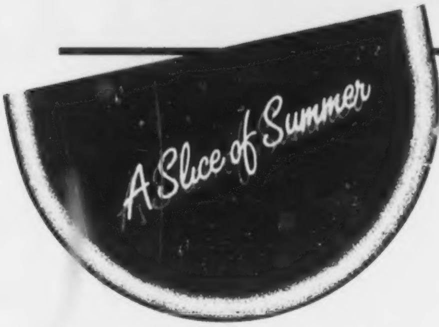
Adding a second menu . . .

One problem with incorporating seasonal items into the regular menu is the difficulty of assuring a steady supply of the food. All of a sudden fresh figs or gooseberries may be unavailable and yet the menu says in black and white that you have them.

To get around this dilemma, some operations have developed a separate seasonal menu. Then, if the foods are unexpectedly in short supply, it is a simple matter to give customers only the regular menu. A separate menu may seem like an extravagance, but often it can be reused for several years running. Under these circumstances, even an expensive full-color, die-cut menu will pay for itself in time.

In addition to preferring the greater flexibility allowed by a second menu, restaurants may choose this route when the seasonal foods they want to promote are tangential to their total concept. A restaurant with a Western





theme that wants to hold a seafood festival in June should not have to live with fish on its menu cover the remaining months of the year.

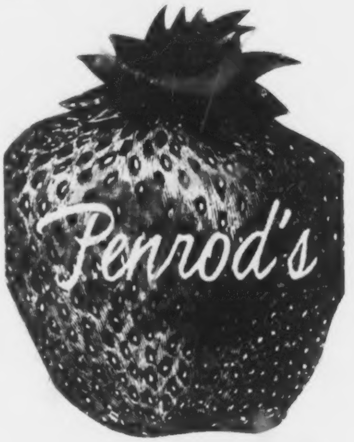
A separate menu can be a charming way to create a mood or theme slightly at odds with the restaurant's overall theme. A case in point is the Pam Pam West Restaurant, located in the Alameda Plaza Hotel in Kansas City, MO. In its three seasonal menus (spring, summer and fall/winter), the restaurant has a chance to be more flamboyant and informal than usual. Small and whimsically shaped, the menus slip easily into the regular menu, with its standard, rectangular format. The "slice of summer" menu, shaped like a watermelon hunk, gets customers in the mood for hot-weather food, such as a taco salad or pasta salad with river shrimp. The winter version, in the form of a leaf outlined in ice blue against a white background, primes them for beef short ribs or another meal guaranteed to ward off the chill.

Although the menus create a mood appropriate to the season, only about 30 percent of the items change each time and many are not, strictly speaking, seasonal. Some seem to be there more in the spirit of fun than anything else. The regular menu is too formal to permit a staff member's name to be linked with a dish, but on the seasonal menu, a place is found for "Chris's carrot cake." And during Girl Scout cookie selling time, customers can reminisce about their own scouting days while chomping on those gooey concoctions called s'mores—melted marshmallows and chocolate, sandwiched between graham crackers.

Manager John Lombardo acknowledges that more staff experimentation is allowed with items on the seasonal menus. "We have found it to be a good testing ground for the regular menu," he says. The foot-long, all-beef hot dog has been such a big seller, for example, that it will soon move from the summer menu to the all-purpose menu.

A separate menu can also be ideal for promoting the house drink specialties. A bartender's ingenuity could produce a collection of drinks based on ice cream and fresh fruit during the summer and one of coffee variations during the winter.

The two seasonal versions of a bar guide created by Jesse's Restaurant in Hanover, NH, have put that establishment on the map. Chock-full of jokes, sketches and unusual drinks, the guide has won prizes two years running in the National Restaurant Association's Great Menu Award contest. "It has promoted sales and made it possible to pick us out of the crowd. Regulars like to bring in friends and show them the guide, even if everyone ends up ordering a gin and tonic instead of a more exotic drink," comments Owner/Manager Mark Milowsky. The restaurant gives away about 7,000 of the booklets each year and considers its printing costs of 21 cents per copy to be money well spent.



Help for menu ideas

For every seasonal food you can think of, there is likely to be a trade association or corporation willing to help restaurants find creative ways to serve it. Often the promotional materials or recipes are available free or at minimal cost. Check the index of a trade association directory, such as Gale's *Encyclopedia of Associations,* in your library to get the names of additional groups appropriate to the seasonal foods you are emphasizing. For example, there are the

International Apple Institute, P.O. Box 1137, McLean, VA 22101; (703) 442-8850. Free: (1) foodservice operator kit with buying, serving and promotional advice for apples and apple products (2) recipe card packet with seven foodservice-portioned recipes.

Lamb Education Center, American Sheep Producers Council, 200 Clayton St., Denver, CO 80206; (303) 399-8130. Free: numerous informational brochures and recipes for lamb.

Michigan Blueberry Growers Association, P.O. Drawer B., Grand Junction, MI 49056; (616) 434-6791. Free: (1) blueberry recipe cards (2) flyers with menu ideas and blueberry handling tips.

National Turkey Federation, 11319 Sunset Hills Rd., Reston, VA 22090; (703) 435-7206. Free: (1) chef's handbook on turkey preparation (2) brochure of recipes developed by chefs of white-tablecloth restaurants (3) recipes in quantities suitable for institutions.

New Jersey Asparagus Council, New Jersey Department of Agriculture, CN330, John Fitch Plaza, Trenton, NJ 08625; (609) 292-8853. Free (but limited supply): two booklets with asparagus recipes.

Rhode Island Seafood Council, 3 Robinson St., Wakefield, RI 02879; (800) EAT-FISH (toll-free number). For Sale: (1) three cookbooks on seafood cookery (2) 80 seafood recipes on cards (3) a monthly newsletter.

United Fresh Fruit and Vegetable Association, 727 N. Washington St., Alexandria, VA 22314; (703) 836-3410. For Sale: (1) brochures, a quarterly newsletter and training seminars on buying, handling and using fresh produce (2) large-quantity recipes for fresh fruit and vegetable dishes (for details, write for a copy of the publications list; orders must be prepaid).

Menu for a single-theme celebration . . .

A second menu has still another use which is perhaps its most important—it can be invaluable in promoting a specific seasonal food or occasion.

When a popular seasonal food is at its most plentiful, it may be time to plan a special celebration. Some restaurants plan strawberry festivals in the summer. Others feature apples in the fall. Still others devote a month or two in the spring to asparagus when that vegetable is at its peak. A restaurant could, for example, plan a special dessert menu, a specialty drink menu or special appetizers and entrees. Customers could make their selections from a menu shaped like the featured item. It could even be offered as a souvenir, with a recipe or two to try at home.

Any festival worthy of the name will probably require the restaurant to pull every promotional technique out of its hat. Here is how some restaurants are using menus in combination with other strategies to promote a certain seasonal food or theme.

- *Tam O'Shanter Restaurant, Bakersfield, CA:* Table tents and newspaper ads draw customers to the annual strawberry festival. Employees dress in red, a large fresh strawberry garnishes each meal, and about 120 pounds of fresh berries are used daily to make brandied berries, strawberry daiquiris and other house specialties.
- *Good Earth Restaurant, Phoenix, AZ:* On the back of the children's menu, the answers to a crossword puzzle turn out to be the names of all the fresh fruits and vegetables served in the restaurant. With each menu comes a packet of radish seeds and directions for planting.
- *Mr. Steak Restaurants, Denver, CO:* Customers are visually bombarded with apples during the harvest celebration each fall. The festival features three apple desserts, apple cider in a special mug and fresh apples given away at the cash register.
- *Peachtree Plaza, Western International Hotel, Atlanta, GA:* A produce cart like those used in England at the turn of the century is stationed in the main entrance to the hotel's three restaurants. Fresh produce items and baked goods available for sale to guests reflect the seasonal specialties offered in the restaurants. Fresh cherries might be sold from the cart, for example, when cherry desserts are featured on the menus.

Staff can help . . .

Whether seasonal foods are promoted on the regular menu or on a separate one, restaurant staff can help draw customers' attention to them. The customer may not notice seasonal items, especially if they are scattered through the regular menu. A suggestion to try an unusual dish, such as breast of pheasant with parsnips and red cabbage, may well be appreciated.

The customer's desire for guidance may be even greater when a special menu is used—for the need to order from two pieces of paper may cause puzzlement. Wait staff can help by saying something like this: "Sir, this is the regular lunch menu, where you will find many of our most popular dishes. On the other menu are several spring specials you might enjoy."

In addition to helping promote seasonal foods, wait staff should have the opportunity once in a while to tell customers about an out-of-season treat. Reliance on seasonal foods is undeniably sensible, but there is no reason to be rigid. When a supplier unexpectedly offers fresh raspberries in February, they should be seized with glee. After basking in the midsummer memories aroused by those berries, customers will certainly return to see what other surprises are in store. ❑

The season's pick

Knowing when foods reach their peak of supply and quality is an essential prerequisite to planning seasonal menus. The list provided here is a starting point, but each restaurant should develop its own calendar of seasonal foods, based on local supply patterns. These can vary considerably. For example, lobster is usually best from May through December in the East, while on the West Coast, the key dates are October through March.

Buying in quantity while the season lasts is the way to make maximum use of low prices and abundant supply. Then look for several different ways to prepare the food. Fresh spinach can be an important component of salads; cooked, it can be used as a filling for stuffed fresh pasta and as a bed for baked fish. Similarly, the same fruits that go into the bar's popular summer drinks could garnish platters in the restaurant. Leftovers would make delicious preserves or chutneys to be enjoyed by customers.

Spring	**apricots, asparagus, lettuce, new potatoes, peas, shad roe, strawberries**
Summer	**basil, parsley, other herbs, beets, blueberries, cherries, corn, cucumbers, figs, melons, okra, peaches, plums, raspberries, salmon, soft-shelled crabs, tomatoes, zucchini**
Fall	**acorn squash, apples, chestnuts, cranberries, fennel, game, pears, pumpkins, sweet potatoes, wild mushrooms**
Winter	**artichokes, broccoli, brussels sprouts, citrus fruits, Jerusalem artichokes, parsnips**

How to hire, train and motivate seasonal employees

By Toni Lydecker

What if all your employees had to be trained within the space of a few days? How would you cope if a quarter of them quit before the busiest weekend of the year? Would you be willing to provide housing and recreational opportunities for employees if it became difficult to fill jobs otherwise?

These demanding situations are ones restaurant operators with a seasonal business often handle as a matter of routine. Not for them the usual pattern of moderate fluctuations in business—instead, demand for their services soars during "the season" and takes a nosedive the rest of the year.

Although most restaurants never face the challenge of hiring and training so many workers in a short span of time, they are likely to employ a few extra workers to fill in for vacationing employees during the summer or to accommodate increased business during a holiday. Many of the techniques used by resort operations transfer well to the employment of seasonal workers on a smaller scale.

Structuring the staff . . .

Seasonal employment is not the same in every operation. Some restaurateurs just slow down during the off season, while others close entirely. Regardless of the scale and schedule of its operation, however, any restaurant depending on seasonal employees tries to avoid starting up entirely from scratch each time. Often the secret is to develop a strong, experienced core staff. The Country Road Ltd. Bar and Restaurant in Aspen, CO, keeps most of its staff on the payroll all year, but puts everyone on a part-time schedule as business slackens during the off-season. In Ocean City, MD, the Phillips Seafood Restaurants chain shifts permanent employees during the summer from two of its less-frequented restaurants to form a core of seasoned workers for the largest one.

By drumming up business for its catering and banquet operations, Harris Imperial House in Pompano Beach, FL, is able to keep 75 percent of its workers year round. "And I like to run a little tight on help during the season so I don't have to lay off so many at the end," says General Manager Michael Harris.

Another important strategy is to hire people who prefer seasonal employment and who will probably return the following year. A winter resort might reasonably expect long-term service from a bartender who likes to go to Europe every year or has regular summer employment with a resort up north. One dining room manager works hard during Florida's winter season, taking four months off during the summer to spend with her children. Teachers who are off during the summer may make excellent, long-term seasonal employees. Other good bets, especially for part-time assignments, are local retirees, homemakers and people for whom seasonal work is a second job.

Rather than complaining about the lack of job security, these types of core staff members will perceive the seasonal nature of the work as an opportunity to pursue other personal goals. The owner of the Mad Batter in Cape May, NJ, recently took several kitchen staff members on a culinary tour of Thailand during the off-season—an experience not to be contemplated by most restaurants that operate 12 months of the year.

Like many others with a seasonal business, Lloyd Byrd, general manager of Phillips Crab House in Ocean City, MD, has turned to students: "They're bright, capable and have a lot of enthusiasm. You teach them how to do the job, and they're able to maintain the pace with a lot of class for three months. Just as the job begins to seem old hat, the summer comes to an end, and it's time to go home."

There is a down side to hiring students, however. For many, the restaurant job is their first, and managers may find themselves teaching not only specific job skills but also basic work habits, such as punctuality. Because a high proportion of students will not reapply the following year, this training time could be invested in only one season's work. In addition, the fit between the restaurant's season and the interval between terms at the student's school is often imperfect.

Where to recruit . . .

Most operators with a seasonal business often start recruiting four to five months in advance. If the restaurant is in a resort setting, unsolicited applications sometimes pour in. That is the case, for example, with the Grand Hotel in Mackinac Island, MI. Attracted by the beauty of the surroundings and the chance to work in a luxury hotel, experienced foodservice workers from around the world compete for a chance at job openings during the six-month season.

More commonly, operators must take an aggressive approach to recruitment. According to Selection Research, Inc., a Lincoln, NE, firm that helps businesses make better hiring decisions, restaurateurs should concentrate on reaching "a predetermined pool of people" likely to be suited for the jobs. To recruit local residents, for example, newspaper ads and a booth at a community jobs fair may be good approaches. Sending bulletins of job vacancies or doing on-site recruitment at educational institutions is the most direct route to students.

Many operations find highly motivated, knowledgeable young people in hotel/motel management programs. Paid employment may be offered but, increasingly, companies are exploring the possibility of providing internships for students. Chip Weiant, general manager of Island Resorts, Inc. in Put-in-Bay, OH, eventually plans to fill about 10 percent of his seasonal employment needs in this way. Although student interns normally receive only room and board, this arrangement should not be regarded as an easy way to get cheap labor, cautions Weiant. The resort operation must offer an educational experience conforming to university requirements that are often stringent.

Resorts in isolated locales must recruit employees old enough to live away from home, but proximity to an urban area opens the possibility of hiring younger students. Oglebay and Wheeling Parks, two resort parks located in Wheeling, WV, hire students as young as 14 years of age. By hiring only those who maintain good grades, Personnel Manager Dave Holloway has won the cooperation of high-school counselors and teachers.

Formal recruitment methods are helpful, but many resort operators say the best way to find good seasonal employees is to ask for recommendations from competent workers already on the staff. "Talent knows talent," as one restaurant consultant puts it.

Screening prospective workers . . .

Because most applicants for seasonal job slots do not have related experience, many managers evaluate them primarily on the basis of appearance, personality and character—depending heavily on a well-structured interview to make the right decisions. Bruce Raterink, director of training for Carl Karcher Enterprises, headquartered in Anaheim, CA, suggests giving preference to evidence of a naturally competitive spirit, such as excellence in sports or academics. "That person will want to be the best and will respond readily to motivational techniques," he says.

Settling on the right job for a seasonal employee is an important component of hiring. According to Selection Research, Inc., someone with "high woo," or the ability to please patrons, should be assigned to the front of the house, while an energetic person with a conscientious attitude towards completing tasks may be better suited for a kitchen job. If a manager discovers after a few days that a person is mismatched with the job, a prompt assignment change is in order.

The training dilemma . . .

Training inexperienced seasonal workers quickly but thoroughly is one of the trickiest aspects of running a seasonal operation. "Too often we are fatalists about short-term workers. We say to ourselves, 'Well, they're only seasonal—what can you expect?' And then, of course, we get inadequate performance," says Bruce Raterink of Carl Karcher. Instead, managers should make it clear from the beginning—both in words and actions—that the seasonal workers are indispensable and that they must meet high expectations.

Documenting the steps in each task an employee must perform prevents teaching unnecessary or wrong information. For example, someone learning to operate a soft-drink machine must know not just how to fill a single cup, but the sequence of steps necessary to fill two or three at a time when business is heavy. The proper speed of the actions should also be demonstrated, although the trainer can then repeat the motions more slowly.

Training time can be further shortened by simplifying the tasks. At one restaurant the core staff do skilled prep work, leaving more easily taught tasks, such as frying or steaming, to the seasonal workers. During the first few weeks, managers watch the employees closely to determine which ones have the aptitude for quick mastery of a more complex skill, such as operating the broiler.

It can be a mistake to cut training time too short, say some employers. At Harris Imperial House, a week is set aside for training; each trainee receives one-on-one instruction in basic procedures, followed by several days of trailing an experienced worker. "Sometimes you have to fight the employee to do it that long, especially when they have some previous experience. And when things get rushed, you have to fight yourself to allow enough training time. But you really need that week—otherwise, the employee is always catching up just a little," says Manager Michael Harris.

Requiring employees to read a manual can free up time during training sessions for reinforcing the information or answering questions rather than presenting the material for the first time. Some employers even give quizzes to keep trainees on their toes.

Oglebay and Wheeling Parks use a training film to stimulate discussion during workshops for seasonal employees. The short video segments show typical work situations, such as an incident in which a little girl at a refreshment stand spills a drink. The attendant reacts appropriately by replacing the drink without charge, but in other cases the person may make a poor decision. By discussing the scenes and doing related workbook exercises, trainees develop a sense of how to handle typical problems.

The right time to train . . .

Finding the best time to train may be harder than actually doing it. When the seasonal workers are students, they may dribble in slowly as their classes end rather than arriving all at once. Thus, some may end up working several days or even several weeks before a group training session takes place.

One solution to this problem is to set up two or three sessions rather than one big one. In the meantime, the early arrivals can be taught the absolute essentials of their jobs on an individual basis. A carefully structured training plan will make it clear which tasks are in the "must know" category and which can be deferred until later.

Sometimes the problem is too many employees arriving at the same time for training to be accomplished easily. In such a case, it may be helpful to bring in employees who live or attend classes nearby a weekend or two before the season begins. Then, when the other employees are arriving in droves, there will be a sizeable cadre who knows the ropes.

Housing and recreation . . .

Most restaurateurs never have to worry about where their employees live or how they spend their spare time; but for the managers of resort operations, these can be burning issues. In a remote location, there may not be adequate housing unless the resort provides it or the available quarters may be out of the employees' price range.

How to end the season with a smile

Recruitment

- *Sell applicants on a summer experience,* not just a summer job. But be frank about how much they can expect to save while working. Otherwise, they may become discouraged mid-way through the season and leave.
- *Build a brigade of local residents,* such as homemakers and retirees, who are willing to work part time especially at the beginning and end of the season when students may be unavailable.
- *Consider offering an internship* to hotel/motel management students (but be prepared to put together a stimulating curriculum).
- *Keep full, accurate files about seasonal employees* from year to year. Then, when people reapply, you can check past performance and make well-founded decisions.
- *Identify the strong points of the seasonal experience* and use them when recruiting.

Training

- *Set high expectations.* Make it clear what kinds of behavior are unacceptable. If chronic absenteeism is grounds for dismissal, say so up front.
- *Use a question-and-answer format* for training so employees cannot tune you out. Consider a few pop quizzes.
- *Analyze the steps in key job functions* and write them down in an employee manual. Make sure the manual also includes general policies and procedures.
- *Use lulls in business to teach "nice-to-know" tasks* and to do cross training, particularly with employees who show an interest in learning more. Employees with multiple skills give managers more flexibility in scheduling.

Motivation

- *Say thank-you with a small bonus* if an employee has to work overtime.
- *Throw one or two parties for staff* each season, with all expenses paid by the restaurant.
- *Organize intramural sports events* between different departments within the operation.
- *Give a payroll stuffer* to employees who have performed well during the pay period. It could be either cash or coupons good for food or activities.
- *Get seasonal workers together occasionally* to talk about their special problems and do a thorough debriefing at the end of the season to find out how to improve next time.

Some resorts aid employees by posting lists of vacant apartments and rental agencies. Bulletin boards also help employees communicate with each other to find roommates and suitable living arrangements.

For many seasonal workers, the primary attraction of the job may be the setting, and the resort operator should make every effort to make recreational experiences accessible to them.

Time off for side trips to scenic spots—with expenses paid, if it is a reward for good performance—will be appreciated. Sensitivity to employees' recreational interests is also helpful in coming up with a work schedule that pleases everyone. Every worker should have the opportunity, on a rotating basis, for a night shift that allows him or her to be on the beach or ski slopes during the day.

Make them insiders . . .

Like other employees, seasonal workers need to feel that their work is appreciated and that they are "in" on what is happening. Managers should be certain to include them in staff meetings, take the time for a kind word and, most important, talk out any problems that arise. These problems may be of a personal nature when a high proportion of the workers are young people. Managers must walk a fine line between providing the sympathy and support necessary to keep productivity high and becoming surrogate parents.

Employees should understand from the start that they are expected to work hard, but that management will do everything possible to make the experience satisfying. A welcoming party and intramural sports will help employees get acquainted with one another and develop a sense of identification with the operation. On the job, contests can help break up the routine. Young people will strive hard to beat last season's record for wine sales or the guest check average—even when the prize is only a bottle of wine or a theater ticket.

A common problem in seasonal operations is keeping motivated employees to the end of the season. Even if employees promise when hired to stay until a certain date, they can change their minds—leaving the employer high and dry during a peak period. Employers can head off such problems, to some extent, by telling applicants that the employment reference they receive will depend on staying until the promised date and performing their work just as well on the final day as on the first. Another strategy is to offer an end-of-the-season bonus—to be delivered only when those two conditions are met. At one restaurant, the season ends with the publication of an eagerly awaited yearbook that includes group shots of all the seasonal employees and their permanent addresses.

In addition to keeping employee morale from dwindling, managers must find ways to get the best workers to come back. Some restaurants offer efficient dishwashing or busing staff the chance to return as wait staff. Others hire their seasonal workers as college freshmen or sophomores and then try to interest them in a long-term, secure employment arrangement. Incentives for returning might include a wage increase, fringe benefits and an expense-paid trip to a neighboring resort.

Occasionally a seasonal employee may even become a valued member of the permanent staff. Casting about for a new assistant manager Lloyd Byrd, general manager of Phillips Crab House, realized that one of his seasonal employees had worked faithfully every summer for five years, had just completed a degree in business administration and was looking for employment. The young man got the job. ❑

NRA 1984 RESTAURANT HOTEL-MOTEL Show

Don't miss the Show

Now's the time to make your plans for the 65th annual NRA Restaurant, Hotel-Motel Show, to be held May 19-23 at Chicago's McCormick Place. This, the world's largest foodservice and lodging exhibition, provides acres of exhibit space, hundreds of hours of educational sessions and thousands of contacts. The event has received trade fair certification from the Department of Commerce and recognition as the "major U.S. show in the hotel and restaurant equipment industry."

What's on the agenda? Five days of exposition, a culinary arts salon, a demonstration session by the U.S. Culinary Team, the "Dinner of the Century" and more than 40 educational sessions with best-selling authors and some of the industry's leading experts.

You can see the latest products you need to run your operation; try out the most advanced equipment produced today; meet the most exciting innovators in the industry; examine drawings, plans and sketches; and participate in the election of officers and directors. You can hear the opening Show address by NRA President Joe R. Lee, remarks by the first lady of the American theater Helen Hayes, a speech by writer and jack-of-all-trades George Plimpton and presentations by such best-selling authors as Kenneth Blanchard (*The One Minute Manager*) and Wayne Dyer (*Your Erroneous Zones* and *Pulling Your Own Strings*).

The registration fee for those who register in advance is $7.50. It is $15 for those who register at the convention. No one under 16 years of age will be allowed on the exhibit floor. Every business expense related to attending the NRA Show is tax deductible.

Exhibits to set record

If there is a product or service you need, the NRA exhibit floor is the place to find it. NRA has made room for 83 new exhibitors this year by featuring the Culinary Arts Salon in McCormick Place's Chicago Room rather than on the exhibit floor. This brings the total number of exhibiting companies to a record-breaking 1,300, representing some 6,100 different products and services. Not only does this provide a golden opportunity to taste, sample and examine products but you also can put products next to several other similar items. What a chance to comparative shop!

At the Show, you will see the familiar and the unfamiliar. You will learn of new products, improved products and services you may not have known existed. And you can cover more ground during the Show in less time than you can by visiting vendors or distributors on their turf.

NRA opening program highlights the economy and election

NRA President Joe R. Lee will kick off the 65th annual NRA Restaurant Hotel-Motel Show with a keynote address on political education in the Arie Crown Theatre of Chicago's McCormick Place on Sunday, May 20, 1984, at 2:00 p.m.

Following President Lee's address, a panel of eminent journalists and economic experts will explore the topic, "The Economy, The Election: Who Wins?"

Participating in the opening day program are Dr. Alfred E. Kahn, advisor on inflation to President Carter and chairman of the Carter administration's Council on Wage and Price Stability; Bill Kurtis, co-anchor of the CBS morning network news; Hugh Sidey, journalist and contributing editor to *Time* magazine, author of four books on American presidents and regular panelist on television's "Agronsky and Co."; and Dr. Murray Weidenbaum, former chairman of President Reagan's Council on Economic Advisors.

Plan to get there early. A musical warm-up featuring LIFE, a popular performing group, will begin at 1:30 p.m.

Culinary Foundation to host 'Dinner of the Century'

A spectacular addition to this year's NRA Show is the "Dinner of the Century." Hosted by the NRA/ACF U.S. Culinary Team Foundation to benefit the 1984 U.S. Culinary Team, the evening will feature the best cuisine, finest wine and warmest hospitality.

The "Dinner of the Century" will be held at the newly renovated Palmer House on Saturday, May 19. A 10-course meal representing each decade of the century will be prepared by the 1984 U.S. Culinary Team and served with 20 of the finest wines. Each course will be announced with a trumpet and proclaimed by a herald, who will also describe each dish. (See the accompanying menu.)

Walter Conti, chairman of the NRA/ACF U.S. Culinary Team Foundation and owner of Conti Cross Keys Inn, Doylestown, PA, has established a committee of leading restaurateurs and culinary experts to oversee the event.

The "Dinner of the Century" is a black tie affair limited to 200 guests. Tickets can be purchased for $500 each. All donations are tax-deductible as they will be presented to the NRA/ACF U.S. Culinary Team Foundation, a 501(C)3 not-for-profit corporation. Donations and/or inquiries should be directed to the NRA/ACF U.S. Culinary Team Foundation, c/o Richard Gaven, National Restaurant Association, One Park Place, Suite 2000, Chicago, IL 60601, (312) 853-2525.

The Menu for the Dinner of the Century

Elegant hors d'oeuvres *including caviar blinis and steak tartare.*

◆

Overture California *marinated fresh artichoke bottoms, julienne of smoked salmon, endive leaves and salmon tartare.*

◆

Essence of black Rocky Mountain bear claw *dark, rich, double-strength essence, flavored with sherry wine and garnished with watercress custard, bear claw dumplings, wild mushrooms and gold leaves. Served with rye puff pastry.*

◆

Sauteed duck liver Hudson Valley *red cabbage combined with poached pear slices and sauteed duck liver.*

◆

Supreme of Michigan asparagus *tied with a carrot ribbon, placed on a puree of white asparagus that has been topped with a light vegetable sabayon.*

◆

Jewels of the sea "Ole Miss" *lobster, crayfish and crabmeat delicately flavored with a mustard butter sauce.*

◆

Sorbet of passion fruit Arizona *a delicate and refreshing fruit ice, served in a passion fruit decorated with fresh mint and flavored with a touch of tequila.*

◆

Loin of lamb Wyoming *center cuts of boneless lamb rack, enveloped with a delicate spinach-flavored stuffing. Served with a variety of miniature garden vegetables, including black-eye peas and a cheese-flavored noodle custard pie.*

◆

Floral salad Kentucky with goat cheese souffle *marinated tender leaves of limestone Bibb lettuce and radicchio, served in a marinated tomato and accompanied by a light goat cheese souffle.*

◆

American black walnut cream *served in an almond-flavored wafer shell with bourbon sauce.*

◆

Bonbon-petits fours finale.

1984 U.S. Culinary Team at Show

The U.S. Culinary Team, a corps of expert chefs from across the country, who are fine-honing their culinary skills before the International Culinary Competition or "culinary olympics" this fall, will demonstrate their award-winning talents in the NRA demonstration kitchen on the concourse level exhibit area of McCormick Place on Monday morning, May 21. The chefs will be preparing a special luncheon to honor those who have contributed $1,000 or more to the U.S. Culinary Team Foundation.

The 1984 U.S. Culinary Team is the eighth contingent of American chefs to represent the United States at the "culinary olympics." At the last competition in 1980 the U.S. team won the prestigious hot food competition and a total of 32 gold and two silver medals.

In two preliminary international competitions in 1983, the team won considerable honors. At the Austrian competition the team won the grand prize and a total of 11 gold and two silver medals. In Osaka, Japan, the team received a total of 12 gold medals, the third prize plaque, the prize of honor from Switzerland and trophies from the city of Osaka and Verband der Koche Deutschland, the German chefs' association.

Last year this spice sculpture won the Grand Prize of the Entire Show.

New site for NRA Culinary Arts Salon

This year NRA's Culinary Arts Salon will move to McCormick Place's prestigious Chicago Room—a beautifully-appointed room overlooking Lake Michigan.

More than 200 chefs, apprentices and students will display their culinary skills in a cold food competition from 10:30 a.m. to 6 p.m. on Sunday, May 20, and from 9:30 a.m. to 5 p.m. on Monday, May 21.

World-renowned chefs will judge winners in the following categories: Grand Prize of the Entire Show, Grand Prize—Pastry Display, Best of the Show, Most Original Piece of the Show, Judges' Special Award and Best Entry from a Junior Culinarian.

There is no entry fee to participate. There is no special fee to view the displays.

Helen Hayes to speak at NRA's First Ladies' Luncheon

First lady of the American theater Helen Hayes will share highlights from her dazzling career.

Helen Hayes, the first lady of the American theatre, will be the featured speaker at NRA's First Ladies' Luncheon at the Chicago Marriott Hotel on Monday, May 21, at 11:30 a.m.

A seasoned performer of both stage and screen, Hayes made her Broadway debut at the age of nine. In the seven decades since then, she has dazzled countless theatrical and film audiences with her energetic and witty characterizations.

A two-time winner of the coveted Academy Award and the first actress to earn an Oscar in both the best actress and best-supporting actress categories, Hayes is well-remembered for her film performances in "A Farewell to Arms," "Anastasia" and "Airport."

Hayes will share some of the highlights of her illustrious career at the First Ladies' Luncheon. The luncheon, a popular event at the last NRA Show, will honor Dale Lee, the wife of NRA President Joe Lee, as well as the wives of past NRA presidents.

Tickets for the First Ladies' Luncheon are $25 each and can be purchased from Philip Kralovec at NRA's Chicago office, One Park Place, Suite 2000, Chicago, IL 60601; (312) 853-2525.

First student hot food competition

This year, for the first time, the demonstration kitchen constructed on the grand concourse level of McCormick Place will feature a student competition. Each of the schools that have been given a complimentary booth at the 1984 NRA Show has been invited to send their most outstanding student to compete.

The overall procedure for the competition will be similar to that followed in selecting the U.S. Culinary Team. On Saturday, Sunday, Tuesday and Wednesday, young culinarians will create and prepare a menu from a mystery box of ingredients. The winner of the competition will win a trip to Frankfurt, Germany, as an apprentice to the 1984 U.S. Culinary Team during the International Culinary Competition, commonly referred to as the "culinary olympics."

This is a great opportunity for Show attendees to see the fine work the schools throughout the country are doing in the culinary arts. And, in turn, it is an outstanding opportunity for schools and students to showcase their programs and abilities.

George Plimpton featured speaker at membership meeting

George Plimpton will entertain at the membership meeting.

NRA's chief officers for the year 1984-1985 will be elected at the annual membership meeting in the Lindheimer Room of McCormick Place on Monday, May 21, at 2:30 p.m.

Following the general election, NRA President Joe R. Lee, executive vice president of General Mills, Inc. and the president of the General Mills Restaurant Group, will introduce his successor as well as NRA's new vice president and treasurer for the first time.

Joe Lee will introduce his successor.

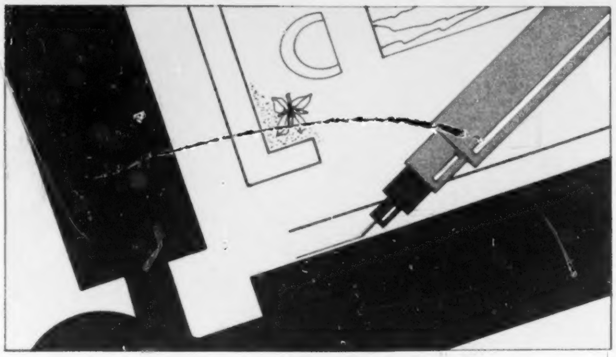
Officers nominated for the year beginning May 22, 1984, and ending May 21, 1985, are Harris O. Machus of Harris O. Machus Enterprises Inc. in Birmingham, MI, for chairman of the board and president; Theodore J. Balestreri of the Sardine Factory in Monterey, CA, for vice president, and G. "Jim" Hasslocher of Frontier Enterprises in San Antonio, TX, for treasurer.

The featured speaker at the membership meeting will be celebrated writer and jack-of-all-trades George Plimpton.

Plimpton, whose many and varied talents have allowed him to play football for the Detroit Lions, basketball for the Boston Celtics, hockey for the Boston Bruins and percussion for the New York Philharmonic, will entertain attendees of the NRA membership meeting with sports anecdotes and glimpses into his intriguing life.

Hennessy Awards luncheon on May 19

Winners of the coveted Air Force Hennessy Awards will be announced and honored at the annual Hennessy Awards luncheon on Saturday, May 19, at the Palmer House. For more than 25 years, the Air Force has awarded the traveling trophy, a 34-inch Revere sterling silver bowl, to the bases demonstrating excellence in the management, preparation and service of food to enlisted personnel. Tickets for the luncheon are $35 and available from Ruth Tracy, Hennessy program coordinator, National Restaurant Association, 311 First St., N.W., Washington, DC 20001, (202) 638-6100.



The Drawing Room

There will be a great new service at this year's NRA Show. A special room, called The Drawing Room, will be set up on the concourse level of McCormick Place. Here equipment manufacturers, dealers, designers, architects and operators can spread out their drawings, plans and sketches. Conference tables, drafting tables and design materials will be on hand. The Drawing Room will also feature the most complete equipment catalog library ever assembled at a hospitality trade show. So bring along your plans and make an appointment to use The Drawing Room.

NRA Show Schedule

Saturday, May 19

8:00 a.m.
Registration and check-in for one-day and two-day seminars in NRA Executive Seminar Series, McCormick Place/lobby level

9:00 a.m.–5:00 p.m.
Seminars with one-hour lunch break

One-day seminars
- Opening a restaurant
- Computers: A primer
- Controlling food cost
- Dining room management

First day of two-day seminars continued May 22
- Location! location! location!
- Restaurant design & facilities planning
- Off-premise catering
- Operational analysis

10:30 a.m.–5:00 p.m.
Dealer/supplier press preview of exposition, McCormick Place

10:30 a.m.
Student hot food competition, demonstration kitchen, concourse level, McCormick Place

11:30 a.m.
Hennessy awards luncheon, Palmer House (ticketed affair)

5:00 p.m.
NRA TV Today! on your hotel television.

6:00 p.m.
"Dinner of the Century" and reception, Palmer House (ticketed affair)

Sunday, May 20

7:00 a.m.
NRA TV Today! on your hotel television

8:00 a.m.
- The Main Course race at Arvey Field
- Registration and check-in for one-day and two-day seminars in NRA Executive Seminar Series, McCormick Place/lobby level

9:00 a.m.–5:00 p.m.
Seminars with one-hour lunch break

One-day seminars
- Computers: Advanced
- Menu development
- Kitchen management: basics
- Motivation

Second day of two-day seminars
- Location! location! location!
- Restaurant design & facilities planning
- Off-premise catering
- Operational analysis

10:30 a.m.–6:00 p.m.
- Exposition open, McCormick Place
- Culinary Arts Salon, Chicago Room, upper level, McCormick Place

10:30 a.m.
Student hot food competition, demonstration kitchen, concourse level, McCormick Place

1:30 p.m.
Musical warm-up for opening day program, Arie Crown Theater, McCormick Place

2:00 p.m.–3:30 p.m.
Opening day program Arie Crown Theater, McCormick Place

Keynote speech: NRA President Joe R. Lee

Panel: "The Economy, the Election: Who Wins?" Alfred Kahn, Hugh Sidey, Murray Weidenbaum

Bill Kurtis, moderator

5:00 p.m.
NRA TV Today! on your hotel television

9:00 p.m.–1:00 a.m.
Convention Capers—"50s, 60s and Now," The Platters, Jade, Palmer House

Special airfare

Delta Airlines and United Airlines have been designated the official carriers of the 1984 NRA Show. They have guaranteed the lowest fares possible on Delta or United from any city they serve. Book your flight directly with the airlines by calling toll free:

Delta—1-800-241-6760
—1-800-282-8536
(Georgia)
United—1-800-521-4041
Ask for NRA Account No. 7437 when calling United.

Monday, May 21

7:00 a.m.
NRA TV Today!

9:30 a.m.–5:00 p.m.
- Exposition open, McCormick Place
- Culinary Arts Salon, Chicago Room, upper level, McCormick Place

10:30 a.m.
U.S. Culinary Team chefs prepare special luncheon for contributors of $1,000 or more to U.S. Culinary Team Foundation, demonstration kitchen, concourse level, McCormick Place

10:30 a.m.–1:00 p.m.
Special presentation: Dr. Wayne W. Dyer, Lindheimer Room, mall level, McCormick Place

10:30–noon

NRA theater series: McCormick Place
- Industry trends (Theater 1)
- To catch a thief, Frank Abagnale (Theater 2)
- How to spot a drunk, Brian Rea (Theater 3)

Management clinics: McCormick Place
- Prep update (Room 20-2)
- CHART presentation (Room 20-7)
- Selling banquets (Room 20-8)

11:30 a.m.
First Ladies' Luncheon, Chicago Marriott Hotel (ticketed affair)
Speaker: Helen Hayes

Chase & Sanborn
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2:00 p.m.
Management clinics: McCormick Place

- Neighborhoods (Room 20-1)
- Gourmet burgers (Room 20-2)
- CHART presentation (Room 20-7)
- The psychology of food, Dr. Robert Christie Mill (Room 20-6)
- Student/industry/education/idea exchange (Room 20-8)

2:30 p.m.
NRA membership meeting, Lindheimer Room, mall level, McCormick Place
Election of officers
Speaker: George Plimpton

5:00 p.m.
NRA TV Today!

9:00 p.m.–1:00 a.m.
Convention Capers—"Country and Western Night," John Conlee, Palmer House

Cassettes

Audio cassettes of many of this year's educational programs are available for purchase at the information booth in the Management Clinic area. In addition, more than 70 of the best tapes from previous NRA Shows are also available.

Tuesday, May 22

7:00 a.m.
NRA TV Today! on your hotel television

9:30 a.m.–5:00 p.m.
Exposition open, McCormick Place

10:30 a.m.
First student hot food competition, demonstration kitchen, concourse level, McCormick Place

10:30 a.m.–3:30 p.m.
Special all-day seminar, Lindheimer Room, McCormick Place

Putting the one-minute manager to work, Dr. Kenneth Blanchard

10:30 a.m.–noon
NRA theater series: McCormick Place

- Marketing and markets of the future, William Lazer (Theater 1)
- Your name is what?, Billy Burden (Theater 2)
- Roll out the bottle—how to merchandise bottled beer, panel (Theater 3)

Management clinics: McCormick Place

- Survival cuisine: the foods you must serve during the 80's (Room 20-1)
- All about pasta, panel (Room 20-2)
- CHART presentation (Room 20-7)
- Covering your assets—crime prevention strategies, Frank D'Addairo (Room 20-8)

2:00 p.m.–3:30 p.m.
Management clinics: McCormick Place

- Employer's guide to employment laws (Room 20-1)
- Walk-around foods—workshop on portable foods (Room 20-2)
- CHART presentation (Room 20-7)
- Business & industry foodservice: meeting the competitive challenge (Room 20-8)

NRA theater series: McCormick Place

- Marketing in action (Theater 1)
- Dr. Elizabeth Whelan (Theater 2)
- Young chefs (Theater 3)

5:00 p.m.
NRA TV Today!

7:00 p.m.
Reception, Empire Room and main lobby.
Grand banquet and show with Glenn Campbell, Michael Davis. Grand ballroom, Palmer House (ticketed affair)

Education credit

The NRA Show is recognized by the American Dietetic Association (ADA) as a national show.

Wednesday, May 23

9:30 a.m.–3:00 p.m.
Exposition open, McCormick Place

10:30 a.m.
Student hot food competition, demonstration kitchen, concourse level, McCormick Place

10:30 a.m.
Management clinics: McCormick Place

- CHART presentation (Room 20-8)
- All my friends told me I should open a restaurant (Room 20-1)

NRA TV Today!

Find out everything that's going on at the NRA Show in the comfort and privacy of your own hotel room. Tune in mornings at 7 and in the afternoons at 5. NRA TV Today! provides you with complete program schedules, information about speakers and events, interviews and action from the exhibit floor.

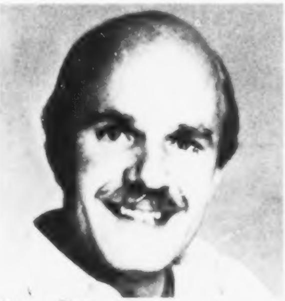
It's great for planning your day's activities at the Show and fills you in on events you may have missed. Simply tune in the channel identified on the NRA TV Today! promotion piece in your room.

28 programs in the theater series and management clinics

There are more than two dozen mind-stretching programs to choose from in this year's theater series and management clinics. Scholars, authors and successful foodservice operators will share what they have learned in these short sessions that are free to all Show registrants. No preregistration is necessary. All programs are in McCormick Place and run 90 minutes unless otherwise indicated.

Monday, May 21–10:30 a.m. to 1 p.m.

"The wit and wisdom of Wayne Dyer." Author, psychotherapist and college professor, Dr. Dyer is best known for his best-selling books *Your Erroneous Zones*, *Pulling Your Own Strings* and *The Sky's the Limit*. He will make his second appearance at the NRA Show with this special program in the Lindheimer Room.


Wayne Dyer

Theater series

Monday, May 21–10:30 a.m.

- "Trends." This presentation will outline some of the hottest trends in the industry. (Theater 1)
- "To catch a thief." A practical and entertaining discussion by Frank Abagnale, a former con man. He will suggest protection methods to safeguard foodservice establishments. (Theater 2)
- "How to spot a drunk." A presentation by Brian Rea on how to deal with this potential problem. (Theater 3)

Ken Blanchard

Tuesday, May 22–10:30 a.m. to 3:30 p.m.

- "Putting the one-minute manager to work." Ken Blanchard, whose book *The One-Minute Manager* was introduced during the 1981 NRA Show, will return in this special all-day seminar. The seminar will be offered in the Lindheimer Room.
- "Marketing and markets of the future." Dr. Bill Lazer will discuss environmental and lifestyle changes affecting the restaurant industry, characteristics of the new breed of consumer, emerging trends in consumer behavior and changes in marketing management. (Theater 1)
- "Your name is what?" Billy Burden, one of America's foremost memory training authorities will train restaurateurs to remember the names of their guests. (Theater 2)
- "Roll out the bottle" will take an in-depth look at merchandising bottled beer. The two-hour session will begin with a presentation by Michael Jackson, well-known author and authority on beer. The second half of the program will feature a panel of hotel and restaurant operators who successfully promote beer including T. Peter Blyth of Westin Hotels and brewmaster Mathew Reich. (Theater 3)

Tuesday, May 22–2:00 p.m.

- "Marketing in action" will feature a panel of successful foodservice operators. Participating in the panel will be moderator Tom Feltenstein, author of *Restaurant Profits Through Advertising and Promotion*, Steve Nygren of the Peasant Restaurants in Atlanta, GA, and Bill Gillespie of the Shore Bird in El Granada, CA. The presentation will be in (Theater 1).
- Dr. Elizabeth Whelan, founder of the prestigious American Council on Science and Health, will discuss nutrition, additives, diet, health and consumerism in (Theater 2).
- Young chefs—a group of expert chefs, who are long in talent but young in years, will discuss contemporary American cuisine and the trends that are shaping it in (Theater 3).

Management Clinics

Monday, May 21–10:30 a.m.

- Prep update—An early analysis of NRA's Project on Restaurant Energy Performance will be given in Room 20-2.
- CHART Presentation—First in the series of training programs presented by NRA in cooperation with CHART, the Council of Hotel and Restaurant Trainers, in Room 20-7.
- Selling banquets—A panel of operators will discuss how to increase banquet business in Room 20-8.

Monday, May 21–2:00 p.m.

- Neighborhoods—A panel of operators discuss the comeback of the neighborhood restaurant and how to succeed in this area of foodservice in Room 20-1.
- Gourmet burgers—a panel discussion of how this new trend is taking place in Room 20-2. Moderator: Peter Lee.
- CHART presentation—second in the series of training programs presented by NRA in cooperation with CHART, the Council of Hotel and Restaurant Trainers, in Room 20-7.
- The psychology of food—Dr. Robert Christie Mill discusses the restaurant customer's physical and psychological needs in the meal experience in Room 20-6.
- Student/idea/industry exchange, including Nancy Dini and Jim Peterson, in Room 20-8.

Tuesday, May 22–10:30 a.m.

- Survival cuisine: The foods you must serve in the 80's—Steve Mark Weiss, a writer, consultant and oenophile, will discuss food and menu trends with a special emphasis on the West and Southwest in Room 20-1.

Frank D'Addario

- All about pasta—Is pasta really one of the hot new trends or just a potentially low-cost food item that has attracted the attention of operators? A panel discussion will take place in Room 20-2. Moderator: Guss Dussin.
- CHART presentation—Third in the series of training programs presented by NRA in cooperation with CHART, the Council of Hotel and Restaurant Trainers, in Room 20-7.

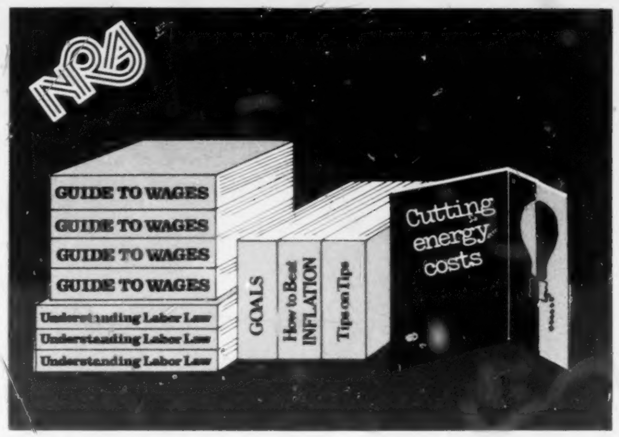
- Covering your assets—A fast-paced presentation by security expert Frank D'Addario on crime prevention strategies in Room 20-8.

Tuesday, May 22–2:00 p.m.

- Employer's guide to employment laws—an easy-to-understand explanation of the legal problems faced in dealing with today's employee by NRA's Associate General Counsel Robert Palmer in Room 20-1.
- Walk-around foods—This workshop will explore the trend to more bite-size, hand-size, portable foods in Room 20-2.
- CHART presentation—Fourth in the series of training programs presented by NRA in cooperation with CHART, the Council of Hotel and Restaurant Trainers, in Room 20-7.
- Business and industry foodservice: meeting the competitive challenge—Non-commercial foodservice operators are borrowing and developing merchandising techniques to keep their customers from going to the competition. Featuring Neil Reyer and Richard Ysmael in Room 20-8.

Wednesday, May 23–10:30 a.m.

- CHART presentation—Last in the series of training programs presented by NRA in cooperation with CHART, the Council of Hotel and Restaurant Trainers, in Room 20-8.
- All my friends told me I should open a restaurant—A panel discussion featuring successful operators who reminisce about their beginnings in the restaurant industry with a look at their hopes, heartaches and failures in Room 20-1. Panelists include Marcel Desaulniers, Louis and Marlene Osteen and Richard D. Perry.



Come to the NRA booth

While you are visiting the exposition this year, be sure to stop by Booth 1104, the NRA's membership booth, just as you enter from the lobby level.

Visit the booth to acquaint yourself with the valuable services and information you could be taking advantage of in your daily operation, or meet the guests who will be on hand to answer your questions on industry issues, such as minimum wage, labor laws and tip-income reporting requirements. NRA experts can also show you how to handle food and energy costs—even inflation.

If you are not currently a member, join at the Show and enter the *new members' only drawing*. The winner of this drawing will receive an IBM personal computer plus valuable software donated by Microbilt Inc. This drawing is part of the NRA membership drive that will result in a stronger association and more services for all members.

12 NRA seminars at Show

Twelve of NRA's most popular educational seminars will be offered during the first two days of the NRA Show, May 21 and 22. Four of these seminars are two-day programs; the rest are one-day. Registration and check-ins for each seminar will begin at 8:00 a.m. on the morning the seminar begins.

Two-day seminars . . .

Location, Location, Location—How to Successfully Negotiate and Finance Your New Operation. This seminar covers the nuts and bolts of the decisionmaking process from demographic criteria to the intricacies of financing in today's market.

Off-Premise Catering. This seminar offers a complete guide to the essentials of the catering business as well as an analysis of its common pitfalls.

Operational Analysis: Understanding Foodservice Revenues and Expenses. This seminar provides specific, in-depth procedures to objectively analyze an operation from financial and sales data to labor and food costs.

One-day seminars: Saturday, May 19 . . .

Opening a Restaurant. How to map out a business strategy and avoid costly mistakes.

Computers in Foodservice: A Primer. An introduction to computers and their use in foodservice.

Controlling Food Cost. Simple and effective pointers to eliminate profit drain from your operation.

Dining Room Management: Creating the Right Environment Profitably. Includes a comprehensive checklist that helps attendees better manage their operation.

One-day seminars: Sunday, May 20 . . .

Computers in Foodservice: Advanced Technology/Now That I Have One. What you can do with a computer and what it can do for you.

Menu Development: A Key to Improve Sales and Profit. Tips on how to build a successful menu.

Kitchen Management: Basics for Managers and Supervisors. Easy-to-implement, money-saving techniques for improving efficiency and productivity in the kitchen.

Motivation: A Key to Successful Personnel Management. This seminar examines the psychology behind motivation techniques and identifies motivators that work in today's environment.

The charge for one-day seminars is $140 for NRA members and $170 for nonmembers. Two-day seminars are $310 for NRA members and $370 for nonmembers. Special rates are available for two or more attendees from one company. For additional information, contact the National Restaurant Association, Education Programs Department, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.

The Main Course follows a picturesque route.

3,000 to run in 'The Main Course'

"The Main Course,"® a 10-kilometer (6.2 mile) race along Chicago's beautiful lakefront, is back for the fourth consecutive year. This extremely popular event, which drew more than 2,300 runners from 40 states and five countries last year, has been expanded to accommodate 3,000 runners this year. The race will take off from Arvey Field (Columbus Drive and East Roosevelt Road) at 8 a.m. on Sunday, May 20.

To refresh runners along the race course, there will be water stations. And for those who cross the finish line, there will be hospitality tents filled with refreshments.

Awards will be presented to the first place male and female finishers as well as to winning teams and the top three men and women in each of the 12 age categories.

Despite the competitive spirit inherent in the race and recognition for top runners, all runners in The Main Course are winners. Just by entering the race and paying the $6.95 tax-deductible fee, contestants will receive an assortment of mementos, including a six-color cotton silk-screened-T-shirt from NRA and souvenirs from other race sponsors.

In addition, all race finishers are eligible for the "You-Don't-Have-to-Win" random drawing for gift certificates from top Chicago restaurants and hotels. The grand prize will be round trip air fare for two to Hawaii, provided by United Airlines.

One hundred percent of the proceeds from the race will again be donated to the NRA/ACF U.S. Culinary Team Foundation to help defray the cost of participation in the International Culinary Competition in Frankfurt, Germany, in October.

For race applications, contact Marge Whalen, NRA race director, One Park Place, Suite 2000, Chicago, IL 60601; (312) 853-2525.

Top flight performers for Convention Capers

Convention Capers once again bring big name performers and popular groups as a welcome counterpoint to more serious Show activities. The two fabulous evenings of dancing and top flight entertainment are at no extra cost to convention attendees. This year's Capers will feature a country and western night and an evening of 50s, 60s and current tunes. An NRA badge is the only prerequisite for admission.

The first night of Convention Capers, billed as "50s, 60s and Now," will feature Tony Williams, the lead singer of The Platters, a popular vocal group of the 1950s and early 1960s. The Platters are remembered for such golden tunes as *The Great Pretender, Only You* and *Smoke Gets in Your Eyes*. Also on hand for the evening will be Jade, one of Chicago's vibrant up and coming rock and roll groups. "50s, 60s and Now" will take place at the Palmer House on Sunday, May 20, from 9:00 p.m. to 1:00 a.m.

John Conlee, a popular country and Western performer, who hit the country music scene with *Rose Colored Glasses*, will sing some of his most popular tunes during the second evening of Convention Capers. Country and Western Night will be held at the Palmer House on Monday, May 21, from 9:00 p.m. to 1:00 a.m.

Great menus

The three grand prize winners in this year's Great Menu Contest demonstrate that even though menus are as different as the restaurants they represent, they have some elements in common: excellent design, imagination and merchandising power.

You can examine the winners during the NRA Show exhibition hours and pick up a few pointers for your operation. This year's grand prize winners are

First place: Raffles, Miami, FL

Second place: Market Cafe Restaurant, Westin Hotel, Seattle; Seattle, WA

Third place: Presbyterian Intercommunity Hospital, Whittier, CA.

Glen Campbell, Michael Davis to entertain at grand banquet

The climax of social festivities will be the reception, grand banquet and show to honor NRA's newly-elected chief officers on Tuesday evening, May 22.

Glen Campbell will be the featured entertainer at the event. Campbell, who has made 40 albums in the last 20 years, will sing old favorites like *Gentle on my mind* and *By the time I get to Phoenix*.

Preceding Campbell will be Michael Davis, acclaimed juggler and comedian.

Tickets for the grand banquet and show are $85 each. The price of admission includes a reception in the newly-restored Empire Room and main lobby of the Palmer House as well as a gourmet dinner in the hotel's grand ballroom. The Dick Judson Orchestra will provide continuous music during dinner.

Glen Campbell

How to buy a Computer

by Michael L. Kasavana, Ph.D.
Michigan State University

How you select computer equipment need not be much different from the way you buy dishwashing machinery, convection ovens or walk-in refrigerators. You must know what you want the equipment to do and how much money you have to spend. Then a market survey should point to possible alternatives. The primary difference between shopping for computers and other restaurant equipment is the buyer's level of confidence and experience. This article presents a six-step purchasing procedure that can make the job of computer buying less intimidating.

General considerations . . .

When purchasing a computer-based system, it is important to note that there are three required hardware component parts. These parts are the central processing unit (CPU), memory unit (M) and input-output unit (I/O). The CPU serves as the brains of the system and takes responsibility for the mathematical and logical (arranging and sorting) processes performed by a computer. The memory unit, more correctly called the secondary memory, stores data files and application programs (accounts receivable, payroll, inventory, and so forth) and furnishes them to the CPU for processing as necessary. The I/O device enables the user to communicate with the system, that is, to direct the operation of the system's hardware components.

Input units allow the user to control system functions, enter programs and data, and direct the flow of information to output devices. Output provides the user with results from processed data and enables the user to edit operations as they progress.

Common input components include: cathode ray tube terminal (keyboard and screen), teletype (keyboard and paper), grid format (optical character reader) and electronic impulse (keypad). Output can be displayed on a screen (soft copy), printed on a page (hard copy) and/or written to an electronic medium (stored).

In addition to hardware, there is necessary software. There are two types of software present in a computer system: system software and application software. The user should be primarily concerned with application software since system software is under the design and control of its manufacturer. System software is diagnostic in nature (error detection and correction techniques) and built into a software package. Application software, however, can be developed and/or purchased by the user.

Common foodservice applications include prechecking, precosting, menu analysis, inventory control, time and attendance, and general ledger accounting. Restaurateurs are strongly encouraged to search for software first, hardware second. All too often, management purchases the equipment first and then struggles to identify applicable software or pays a premium for customized development.

1 **Identify internal needs.** Before Before you buy a computer, identify those areas of the business that would benefit most from automation. If you prioritize applications in the beginning, system selection will be simplified because you will know your software needs. Most foodservice operators prefer to investigate point-of-sale (service-oriented) systems first since they offer immediate controls over cash handling procedures and improved communications between service and production areas.

But there is also a case for making the back-of-the-house (payroll, inventory and so forth) the major focal point. Since the back office areas are more directly involved with a broader base of scarce resources, some believe it to be the best place to begin. In any case, the identification of potential implementation areas begins the purchasing process.

> ***"Once you know what each total computer system costs, you can intelligently begin the selection process."***

A restaurateur contemplating service-oriented computer applications will find some form of electronic cash register (ECR) or point-of-sale (POS) system most appropriate. Since customer service, cashiering and effective communication links can be monitored through such a system, it is a natural focal point.

It is important to understand the differences between ECR and POS technology because they dictate the final hardware configuration. The primary difference is that an ECR contains its own CPU while a POS device must be connected to a remote CPU in order to function. A stand-alone register is an ECR device since it contains its own CPU and need not be connected to any other device to operate. Interconnecting or networking a series of stand-alone devices can provide systemwide report consolidation and enable system opening/closing from one location, but the registers remain independent of each other.

An alternative design to the stand-alone system is a processor-based configuration. In this type of system, the registers (terminals) in the restaurant are POS devices that must be connected to a single, central CPU and memory unit to function. Instead of each register having its own data base, all terminals are interdependent and there is one large, centralized data base. This setup makes it easy to generate reports and to control system operations.

To determine whether a particular foodservice establishment would ben-

First NRA conference on computers an overwhelming success

More than 200 restaurant owners, data processing professionals from hotel and restaurant chains, consultants and educators attended NRA's first National Conference On Computers in Foodservice last February.

The purpose of the four-day conference was to educate participants about restaurant computer systems so that they could make informed decisions when purchasing a computer or upgrading their current systems. The conference included demonstration sessions by computer system representatives. These sessions were designed to give attendees maximum exposure to the different types of computer systems available in the marketplace.

The conference opened with an introduction to computers seminar. This session presented refresher information and background for the other presentations.

The second day of the conference was devoted to point of sale (ROS) systems and electronic cash registers (ECR). In the morning, there were lectures and presentations on effective (POS) utilization, internal controls, and a general introduction to automating a restaurant. In the afternoon, conference participants were free to attend four out of six offered vendor demonstrations on front of the house/POS systems.

In the evening, computer companies participating in Monday's program sponsored a reception to give speakers, vendors and attendees an additional opportunity to discuss equipment needs as well as business problems and plans.

Back-office computer systems were the focus of the third day of the conference. The morning began with an introduction to back-office systems, followed by presentations on menu engineering and personal computers, which included information on specific kinds of software.

After this introduction to back-office systems, participants had a opportunity to see them firsthand by attending four out of six vendor demonstrations. As on Monday, a reception followed to give speakefit more from a series of stand-alone machines versus a processor-based network, an operator must determine how many work stations (terminals) are required. As a rule-of-thumb, consultants tend to use five register devices as the break point for preference of one design over the other. In general, a restaurant needing less than five terminals will find the stand-alone design more appropriate and less expensive. With five or more devices a processor-based set-up becomes more cost efficient.

2 Collect product information. Collect as much product literature about as many different products as possible to alert you to the feasibility of meeting your software needs. The best ways to acquire this information is by attending trade shows, visiting vendors and sending out a written request for information (RFI). When contacting a vendor, try to receive the following: 1) general sales literature, 2) software description documentation, 3) hardware description documentation, 4) user lists, 5) report samples, 6) examples of training materials and 7) annual report. Additionally, inquire about purchase/lease arrangements and available support/maintenance options.

> ***"A proposal is a valuable tool when shopping for a computer, because it gives a common standard for evaluation."***

3 Develop a feasible system. Once you've collected the product information, you have two distinct paths available. You can assume the burden of system design and simply shop around for the best price for the preferred products. The alternative procedure is to produce a request for proposal (RFP) and distribute it to all reputable vendors. In the latter case, you place the responsibility for system design on the vendor who is usually more experienced in this area. The vendor will share design tips with you when he develops a feasible system plan and returns it to you in the form of a proposal. A proposal is a valuable tool when shopping for a computer because it generates a common standard for evaluation. Make sure you provide a bidding format in your request for proposal to give you a basis for effective price and performance comparisons. This format should include such data as financial statements; references; pre-installation site planning and equipment configuration; training; post-installation support; corrective and preventive maintenance support; backup; level of support in amount of hours for testing, computer and manual file conversion and so forth; ability to support future growth; a model contract and system costs as well as detailed information about how the system will meet your needs.

Identify all the areas in the beginning and make sure each vendor conforms to the format when responding to your request for a proposal—perhaps by separating each item with a lettered index tab. Contact references. (See the accompanying questionnaire for ideas.)

4 Identify indirect expenses. The next step is to perform an indirect cost analysis. By now you have identified functional

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ers, vendors and attendees additional time to interact.

The final day of the conference focused on implementing and using a computer system in restaurants. The final presentation of the conference was a panel on software.

Following the conference, many of the speakers remained on hand to address individual problems on a one-on-one basis. This free consulting time was a big bonus to the attendees who remained.

Evaluations by participants indicate that the conference was an overwhelming success.

The next NRA conference on computers in foodservice is scheduled to take place March 24–27, 1985, in Las Vegas, Nevada.

—Rob Haimson

Checklist for vendor comparison

1. How long has the vendor been in business?
2. Is 100 percent of the vendor's resources committed to the computer industry?
3. Has there been an increase in the vendor's sales over the past three years?
4. How many systems have been vendor-installed?
5. How many systems of the size you require has the vendor installed?
6. How much of your total ongoing system will the vendor provide?
    a. Equipment
    b. Installation
    c. Training
    d. Maintenance
7. Does the system require significant physical modifications to your facility?
8. Is equipment protected from power problems? If so, how?
9. Can reports be initialized from any terminal?
10. When critical reports are printing, is the rest of the system fully operational?
11. Can the system handle banquets? If so, how?
12. Can the system "talk" to other systems? If so, identify which ones.

areas for automation, desirable hardware and software, and basic system costs. In addition to the quoted prices furnished by vendors, there often are extensive hidden or indirect costs. Typically, these expenditures include system installation (engineering, design, and architectural concerns), computer room creation (environmental, security, and construction cost factors), power protection (energy and redundancy), personnel training (materials, overtime and off-site expenses), inventory of spare parts (inventory for quick fix), shipping and insurance. There are many more possible expenses, depending upon a system's unique characteristics. You should identify all expenses to get a realistic total.

5 **Select a system.** Once you know what each total system costs, you can begin the selection process. Although system selection involves a myriad of variables, there are three key areas that usually receive the most consideration. First is an evaluation of the system's ability to perform desired functions adequately. Performance evaluation may garner as many as 40 points (out of 100) in the decisionmaking process. Second comes the vendor's track record, staying power and dedication to system support—in short, his reputation, which is usually allowed a maximum of 35 points in a decision-weighting scheme. A majority of the remaining points are allocated for system expense (20 points) and a variety of other concerns.

6 **Prepare the site.** After a system has been selected, the next step is site preparation and installation scheduling. Site preparation and installation are primarily concerned with architectural and engineering changes necessary to accommodate the computer and its peripheral equipment. Considerations, such as the creation of a computer room, environmental upgrading, and electrical wiring (if needed), can all take considerable planning and resources. Once the preparatory work is complete, the hardware and software can be put in place for testing and training.

Summary . . .

The purchase of a foodservice computer system does not have to be a traumatic experience. Management must first identify what needs to be accomplished and specify how many dollars are available to achieve this end. Only then should hardware be selected.

A market survey of possible alternatives is a prerequisite for an informed buying decision as are vendor proposals that generate a common standard of evaluation. ❑

*Questions to ask current users**

1. Company background
- ☐ Describe the nature of the company.
- ☐ When were you established?

2. Relations with computer company?
- ☐ *How long have you used the computer company?*
- ☐ *Is this the only computer company you have used?*

If yes, what caused you to select this company? What other companies did you consider?

3. Software
- ☐ Who provides the software?
- ☐ What systems do you have automated?
- ☐ Was the software created for your systems suitable for your needs?
- ☐ *Are you presently satisfied with the systems?*

If not, what are the deficiencies?
- ☐ Was the software installation costly?
- ☐ Are you able to change the programs to suit your needs? Is your staff trained to do so?

4. Hardware
- ☐ Who provides the hardware?
- ☐ *Have you had problems with equipment malfunctions?*
- ☐ Have you had any other problems with the hardware?
- ☐ Was the capacity of the machine sufficient to cover your original objectives?

Please specify some details about your hardware
- — model
- — memory size
- — disc capacity
- — number of CRT's (video display units)
- — number of printers
- — printer speeds

5. Cost
- ☐ *Did the computer company keep within a reasonable range of the estimated cost for their services?*
- ☐ Did you buy or are you leasing your equipment?

6. Installation and conversion support
- ☐ *Was the implementation schedule satisfactory?*
- ☐ What was your installation timetable?
- ☐ Were all systems automated efficiently?

7. Post-installation support (service)
- ☐ *Are you satisfied with the post-installation support? (e.g., equipment maintenance, system design and program modification?)*
- ☐ Is the company's response time satisfactory?

8. Training program
- ☐ What procedure did the computer company use to train your employees?
- ☐ *Was the training adequate?*
- ☐ Who covered training costs?
- ☐ Where did training take place?
- ☐ Do they have an ongoing training program for additional or new personnel?

9. Flexibility
- ☐ *How flexible is the computer company in meeting modifications to your original requirements?*

10. Expandability
- ☐ *Have you expanded beyond your original requirements?* If yes, was the computer company able to provide the new requirements? Were these changes costly?

*Key questions in italics

FISHER'S LAW #51

Confronting confrontations

In the course of a dynamic, fast-paced, multi-stimuli and sometimes hectic work environment, tempers can get short as the result of the pressures being experienced. Sometime in your business life you have undoubtedly encountered a situation where people have become emotionally frazzled, voices were raised, tables were pounded and a shouting match occurred. Such situations can arise with almost no preview and even in the best of circumstances. Accordingly, it's worthwhile to explore ways and means of managing one's way through these "boiling point" eruptions.

I should mention at the outset that a strong case can be made for allowing an emotional discharge between two people in conflict to run its course. The circumstances leading to the verbal explosion may have been brewing for such a period of time, or with such intensity, that a volcanic reaction is the best thing that can happen to allow a person to "get some things off my mind." In such circumstances, your managerial ability and basic temperament to absorb a verbal harangue can serve as a safety valve. It's not pleasant, but that's the mantle of the office that comes with every supervisory position. It takes a "big" person to remain calm and exercise self-control when a verbal bombardment is occurring, but that's part of management maturity and responsibility. There are times when you have to put on that imaginary suit of armor and be mentally tough. *You* have got to remain the stable element, to be in control of the situation. You can't allow yourself to add to the problem; you're to solve, prevent or control it. For illustration, assume a distraught subordinate approaches you, breath seething, voice raised with apparent flaming anger and a demeanor bordering on rage. Here are a few techniques, used singly, but more often in combination with one another, that can help you manage the situation effectively. They all won't work under all conditions, but you're better off using them than not. Never forget, your objective is to bring a highly charged, emotional, irrational situation back to a point of controlled, objective reality.

1. *Change location and isolate.* If a confrontation is erupting, you want to isolate the person causing the disruption away from eyesight and earshot of everyone else. You can't allow the shouter to play to an audience. Steer the person to your "turf." Get him/her in your office or at your desk. Words as simple as "Come with me and we'll discuss it" issued while you are taking steps in the direction of your office, perhaps combined with a beckoning motion, can accomplish this.

2. *The professional delay.* It may help if you can buy time and set the tone. You can begin to take command of the situation by calmly but firmly stating to another appropriate subordinate (your assistant, secretary, etc.) that "(name) and I are going to meet for a few minutes on an important matter; will you please attend to (a), (b), (c)." The disrupter thus observes you in your command position, your authority role, which can have its desired effect. A variation of this is to have the disrupter on your turf, but indicate that before you will directly address his/her concerns you must make (or return) an extremely important call. Then make a call in the person's presence. Once again, he/she is a witness to your command actions, privy to important matters, which may cause the disrupter to think that his/her circumstance is only one element of a much larger context. This view can cause the person to diminish in his/her own mind that which seemed so paramount only moments earlier.

3. *The calming touch.* The right (and proper) kind of physical contact can have a soothing influence on a person who is at a high emotional pitch. If the situation warrants, it can help to place your hand on the forearm, biceps or shoulder of the person and calmly but directly say, "I hear what you are saying." The physical contact, along with the sincere statement of listening, can have a pacifying influence. Physicians and faith healers use this touching technique with great effect as do effective supervisors. Don't overdo it. You've got to judge the balance point.

4. *Level eye contact.* It would not be good to have an emotionally charged person standing while you are seated, for two reasons. First, by virtue of his/her higher eye level contact with you there can be a subtly felt physical dominance on his/her part. This can work to your disadvantage. Remember how you felt when a teacher stood directly over you in school. Highway patrol persons are trained to tell drivers they have pulled over to stay in their car so the police officer can literally "look down" on the seated driver. Second, if you remain seated while keeping the other person standing, it can be perceived as being disrespectful, i.e., keeping the person at attention as part of a "dressing down." This could add fuel to an already inflamed situation, and this should not be your objective. You should equalize eye contact level to convey mutual respect. You should both stand or sit, but sitting is preferable because it is a more relaxed position.

5. *The disarming remark.* It is sometimes possible to throw a loudly speaking person off guard with a disarming comment. For example, a complimentary interruption, such as, "Before you say anything more I want to tell you how well I thought you handled that situation last night. I want to talk more about it with you, but go ahead." Or, "Let me tell you before you go any further that we've had a number of customers remark how professional and courteous you were in service to them." Yes, it's a diversionary tactic, a defusing tactic, but you will have reversed the flow of

Fisher's 51st Law: "In managing emotional conflagrations, the adept supervisor will cool them, not fuel them."

interest in the relationship. When you return to the subject that caused the irritation, you may be able to address it more calmly, having had a pleasant "lead in."

6. *The long silence.* If the situation warrants, you may want to let the person "explode," get it all out of his/her system, while you remain passive. As the saying goes, "it takes two to tangle." You can't have an argument with someone who won't argue. After the tirade, you could remain silent for a long pause. Emotional and excitable people can't stand silence; they want, and expect, reactions. The silence may be uncomfortable for you, but it will be more uncomfortable for the other person. Let him/her speak first again. The person will likely speak in a lower tone, perhaps feeling a little foolish for having shouted. At any point after a pause you can say, "Are you through?" You can then proceed on a calm basis having had the silence act as a dampener on highly charged emotions.

7. *The appeal to reason.* On occasion, depending on both the person and the situation, you can reduce the volume and volatility of the communication by saying something like, "I can hear you. There's no need to raise our voices. Let's solve the problem." This can bring a characteristically calm and rational person back to an even keel, and that's your objective.

Editor's note: *With this issue the **NRA NEWS** resumes the column "Fisher's Law," written by NRA's executive vice president Bill Fisher. The first 50 laws were published by NRA between 1972 and 1977 when Fisher was last at the NRA. Since then they have been compiled into a book under the title* Fisher's Laws: The Thinker's Guide to Management Action.

THE BOARD ROOM

NRA nominates three board members to its chief executive offices

Harris O. Machus

Theodore J. Balestreri

Jim Hasslocher

NRA's board of directors recently nominated Harris O. Machus, president and owner of Harris O. Machus Enterprises, Incorporated, in Birmingham, MI, as chairman of the board and president for the year beginning May 22, 1984. Machus replaces Joe R. Lee, executive vice president of General Mills, Incorporated, and president of the General Mills Restaurant Group.

Harris O. Machus Enterprises, Inc., has grown from a single pastry shop opened by Machus' father in 1933. Today it consists of three pastry shops, two cafeterias and six full-service restaurants all located in Michigan.

This includes Machus Red Fox in Bloomfield; Machus Adams Square; 160 by Machus and Machus Sly Fox in Birmingham; Mr. Mac's Stable and The Paddock in Dearborn and Foxys in both Rochester and Troy.

Theodore J. Balestreri, president and co-owner of the Sardine Factory in Monterey, CA, is nominated as NRA's new vice president.

In addition to managing the Sardine Factory, Balestreri is president and chairman of the board of Surfside Enterprises, Inc. and co-founder of Carmel Butcher Shop, Inc., in Carmel, CA.

Balestreri also serves as president of the California Restaurant Association. He is a member of the board of trustees of both the National Institute for the Foodservice Industry (NIFI) and the California Restaurant Association Education Foundation and serves as bailli (president) of the Monterey Peninsula Chapter of the Chaine des Rotisseurs. Balestreri currently holds the position of NRA treasurer.

G. "Jim" Hasslocher, president and chairman of the board of Frontier Enterprises, a privately-owned foodservice operation headquartered in San Antonio, TX, is nominated as NRA's new treasurer.

Frontier Enterprises, which consists of 30 units in Austin, Dallas and Corpus Christi, TX, includes the Magic Time Restaurants, Jim's Restaurants, and the Tower of the Americas Restaurant.

A recognized leader in the foodservice industry, Hasslocher is the recipient of a number of industry honors, including the coveted IFMA gold plate award. Hasslocher is past president of both the San Antonio and the Texas restaurant associations and currently serves as chairman of NRA's Government Relations Committee.

NRA's nominated officers are officially elected at the annual membership meeting of the NRA Restaurant, Hotel-Motel Show. This year's annual membership meeting will be held in the Lindheimer Room of McCormick Place at 2:30 p.m. on Monday, May 21. NRA's new chairman of the board and president will be honored at the Grand Banquet at the Palmer House on Tuesday evening, May 22.

FOODSERVICE TRENDS

Analysis:

Who is spending what on dining out?

by Cecelia Niepold

Americans' love affair with dining out is growing. Americans have steadily allocated more of their total food budget to dining out. In fact, this figure has almost doubled in the two decades between 1960 and 1980. In 1960-61, consumers spent only 17 percent of their total food dollar in restaurants. By 1980-81, the proportion had jumped to 32.4 percent; and, according to NRA, when travel expenses and institutional sales are included, the proportion becomes even higher—36.2 percent.

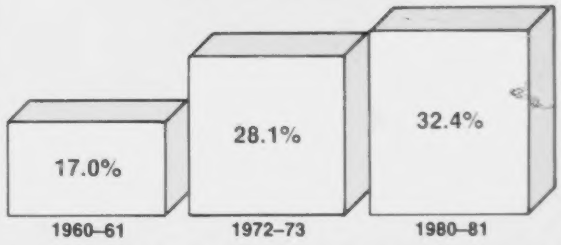
Who is spending what on dining out? That is the question this article seeks to answer to provide valuable marketing information. It presents the results of the *Consumer Expenditure Diary Survey, 1980-81** by age group, household size, income level and regional area and compares the data to the same study conducted eight years earlier (1972-73).

Overview . . .

The consumer expenditure survey reports an average consumer unit spent \$50.50 per week on total food in 1980-81—up 52.5 percent from the 1972-73 period. Of that \$50.50, \$16.35 was spent in restaurants—a substantial 75.4 percent increase over the \$9.32 consumers reported spending only eight years earlier. In comparison, Americans increased the amount they spent on food at home only 43.5 percent during the same period.

Despite these large increases, total food expenditures have not kept up with inflation. Americans actually allocated less inflation-adjusted dollars to their total food budgets in 1980-81 than they did in 1972-73. Dining out expenditures declined substantially less, however, than did food-at-home levels. For instance, between 1972-73 and 1980-81, consumers spent 22.2 percent less in inflation-adjusted dollars on food at home. In comparison, Americans spent only 10.4 percent less on eating away from home. Total food expenditures in inflation-adjusted dollars dropped 18.5 percent during the same period of time.

Percent of food budget spent away from home



Source: *Consumer Expenditure Survey, 1980–81*, Bureau of Labor Statistics, September 1983.

Expenditures by age group

The age group that spent the most in total dollars on dining out per week in both 1972 and 1981 were the 35 to 44 year olds. On the average, households in this bracket spent \$22.31 each week on eating away from home—36 percent more than the average consumer unit. One reason this group spends more on dining out is that its members have relatively high incomes. The 35 to 44-year-old category posted the highest pretax income in the 1980-81 survey—\$20,824—due primarily to the large number of two-income families among this group. NRA research has shown that families with working wives and mothers (see the September 1983 issue of ***NRA NEWS***) and higher incomes are likely to dine out more frequently than many other consumer groups. Another reason 35 to 44 year olds spend more on total eating out expenditures is that these households are usually larger than other consumer units. In 1980-81, 35 to 44-year-old's households averaged 3.7 members—more than any other age category. This reflects the high number of families within this group.

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* *The Consumer Expenditure Survey, 1980-81* is part of an ongoing program developed by the Bureau of Labor Statistics to track consumer expenditures. These surveys have been conducted approximately every 10 years since 1888. Since the 1972-73 survey, BLS has included a diary survey which is based on expenditure data from diary surveys completed by consumer units for two consecutive one-week periods. In 1980-81, 5000 consumer units completed the diary survey. Expenditures incurred while away from home overnight or longer are excluded. The 1980-81 diary survey differs from the prior diary survey in several respects. Only urban consumers are represented and the size of the new sample is approximately half that of the previous survey. Students living in college housing report their own expenditures directly instead of having them reported by their parents. Finally, the term "householder" in the new survey refers to the first member of the consumer mentioned by the respondent as an owner (or renter) of the consumer unit. This differs from prior surveys when husbands were automatically considered the "head" of a household unit. Consumer unit, the other term frequently used in the study, refers to living units whose members are not always related, such as two singles living together.

Food expenditures by age groups

Age Groups	Total food dollars 1980–81	Percent of total food dollars allocated to food away from home 1980–81	Food dollars away from home 1972–73	Food dollars away from home 1980–81	Percent change in food dollars away from home 72/73–80/81
All consumers	$50.50	32.4%	$ 9.32	$16.35	75.4%
Under 25	29.19	42.8	7.82	12.49	59.7
25–34	51.81	35.8	10.41	18.57	78.4
35–44	69.59	32.0	12.48	22.31	78.8
45–54	63.96	33.0	12.06	21.09	74.9
55–64	51.11	28.8	8.14	14.70	80.6
65 +	34.79	24.3	4.58	8.47	84.9

Source: *Consumer Expenditure Survey*, 1980–81, Bureau of Labor Statistics, September 1983.

Since 35 to 44-year-old householders are expected to remain the largest age group through 1995, this will remain an important market for restaurateurs. According to Data Resources, the number of households headed by 35 to 44 year olds will jump 22.4 percent between 1980 and 1995 and reach 23.5 million.

Another rapidly growing age group is the older consumer segment—those individuals 65 years and over. Although they spent only half as much per week on dining out compared with the average consumer unit, they increased their food away from home budget more than any other age group between 1972 and 1981—85 percent.

This group will grow in importance as it grows in sheer size. Data Resources predicts the number of older householders will advance 31 percent between 1980 and 1995 and reach 22.3 million by 1995.

Older consumers can be a more lucrative market for restaurateurs because their disposable income is often higher than their basic income levels suggest. Many senior citizens have done more financial planning for their retirement years and are also relatively debt free because they have paid off major durables, such as housing. Consequently, this leaves them more discretionary spending dollars for leisure activities, such as dining out.

Younger householders spent the largest proportion of their total food budget on dining out in both the 1972-73 and 1980-81 consumer expenditure surveys. In 1980-81, consumers under 25 years of age spent almost 43 percent of their weekly food budget on eating away from home, and 25 to 34-year-old householders spent 36 percent of their food dollar. Both of these proportions are significantly higher than the average 32 percent budgeted for food away from home.

According to Data Resources, the number of single 25 to 34-year-old householders will jump 58 percent between 1980 and 1995. This compares with a more moderate 15 percent rise in the total number of 25 to 34-year-old householders during the same time period. This group is also expected to experience rapid income gains. Almost four times as many single 25 to 34-year-old householders will earn more than $30,000 a year in 1995 compared with 1980. (All projected income figures in this report are reported in 1982 constant dollars.) The number of single householders under 25 will also grow significantly and advance 47 percent between 1980 and 1995.

Two person households are also an important segment of the younger market—especially among the 25 to 34-year-old group. Two person households will continue to account for more than a quarter of the total 25 to 34-year-old market. Most of these households consist of two-earner couples. This gives them relatively high incomes and makes them an attractive market for restaurateurs. By 1995, more than half of this group will have incomes of $30,000 or more.

Expenditures by household size

Looking at the difference in spending patterns among different household sizes shows that smaller households spend a higher proportion of their total food budget on dining out and also spend more on a per capita basis.

For instance, single householders spent 45 percent of their total food budget on dining out—substantially above the 32 percent average. Singles spent $11.59 per week in restaurants in 1980-81—up 74 percent from the $6.67 they spent eight years earlier. On a per capita basis, singles spent a substantial 84 percent more than the average consumer on food away from home. Furthermore, according to NRA's consumer expectation study, singles dine out almost 18 times a month, compared with an average 14 visits reported by most consumers. All these factors add up to the fact that singles are an excellent target group for restaurateurs.

Working singles, in particular, can be an attractive market for restaurateurs. Single consumers who were employed allocated more than half of their food budget to dining out, while nonworking singles (primarily retired senior citizens) spent only 27 percent of their food dollar away from home. Working singles spent more than twice as much per week on food away from home as nonworking or retired singles—$14.56 versus $6.07. On a per capita basis, working singles really stole the show. In 1980-81, the $14.56 they spent each week on dining out was more than twice the average per capita amount spent by all consumers—$6.29.

The non-working singles, although they spend relatively less in restaurants than working singles, can also be a profitable market for restaurateurs. This group, whose average age is 67 years old doubled the amount they spent in restaurants between 1972-73 and 1980-81. This suggests there are real growth opportunities within this particular segment.

Single consumers—both working and non-working—are definitely a market restaurateurs should focus on. Data Resources predicts single person householders will remain the fastest growing type of household and reach 28.7 million by 1995—a 52 percent jump in just 15 years. This compares with the total number of households advancing a slower 29 percent during the same time period. By 1995, more than a quarter of all American households will contain just one person. (See the August 1983 issue of ***NRA NEWS*** for further information on the singles market.)

Two person households also offer significant opportunities for restaurateurs. For instance, two person households almost doubled the amount they spent on food away from home between 1972-73 and 1980-81. In 1972-73, this group spent $8.28 per week on dining out, while in 1980-81, they allocated $16.30. Out of their total food budget, two person householders spent 34 percent away from home in 1980-81—up from 29 percent eight years earlier.

Looking at the number of wage earners among households with two or more persons shows some interesting trends. For instance, households with two earners spent much more of their food budget in restaurants—34 percent—than did one earner households—27 percent—and non-working households—19 percent. On a per capita basis, two earner households also outdistanced the other earner segments. Two earner households spent $6.66 per capita on a weekly basis eating out, while one earner households spent $4.84 per person and non-working households allocated $3.13 per person. Two earner households also spent almost 6.0 percent more than the average consumer unit did on a per capita basis for food away from home in 1980-81.

When targeting households with two or more persons, restaurateurs may want to particularly focus on two-income households. For instance, according to the consumer expenditure survey, the number of two earner households increased 25 percent between 1972-73 and 1980-81, while the number of one earner households declined 8.6 percent. This trend should continue as the total number of working women steadily increases. The Bureau of Labor Statistics predicts that by 1990 most women—six out of 10—will be working.

Families with two wage earners also have much higher incomes than most consumer units. For instance in 1980-81, families with two wage earners earned nearly 40 percent more in pretaxed income than the average consumer unit. And this difference is expected to increase. Chase Econometrics predicts the median income of all two income households will rise almost 50 percent faster than total households during the 80's.

Food away from home expenditures: Per capita and percent of total food dollars

Consumer segment	Per capita expenditure	Percent of total food dollars
All consumers	$ 6.29	32.4%
Income		
-$15,000	4.90	27.8
$15,000–$19,999	5.93	31.5
$20,000–$29,999	6.96	32.7
$30,000+	9.33	37.7
Household size		
One	11.59	44.8
Two	8.15	34.2
Three	5.93	31.0
Four+	4.51	25.7

Source: *Consumer Expenditure Survey, 1980–81*, Bureau of Labor Statistics, September 1983.

Expenditures by income level

NRA research has shown that consumer expenditures on eating out rise as their income increases. The consumer expenditure survey supports these findings. It shows that households with incomes over $30,000 a year spent $30.78 per week on dining out in 1980-81—almost double the amount spent by the average consumer unit. On a per capita basis, these more affluent households spent $9.33 a week in restaurants—48 percent more than an individual in an average consumer unit. According to the consumer expenditure survey, households with incomes over $30,000 a year generally include two wage earners and usually contain three people. This probably boosts their food away from home expenditures.

Restaurateurs may be wise to gear some of their marketing strategies toward these more affluent households. NRA's consumer expectation study points out that consumers earning more than $35,000 a year dine out 17 times a month—well over the average 14 visits a month reported by most consumers. According to *American Demographics*, a monthly magazine that tracks statistical trends, the number of households earning $35,000 or more a year will grow faster in the next decade than those in any other income bracket. By 1995, approximately 19 million households will join the $25,000-and-over bracket—almost four times as many as will join the under $25,000 group.

The increasing affluence of many American households will definitely affect the restaurant industry. As affluence increases, customers will probably be dining out more often, and they may demand higher quality food, more upscale entrees and improved customer service. Also, because so many households will have two earners, customers may place increased emphasis on quick service and convenience.

Although consumers earning under $20,000 a year spent the relatively low average of $13.51 on dining out in 1980-81, they still allocated almost a third of their food budget to eating away from home. Restaurateurs shouldn't forget this segment since they will remain a large proportion of the total American market. For instance, the number of consumer units earning between $10,000 and $19,999 will reach 25.5 million by 1995 and account for 23 percent of the total marketplace.

Expenditures by regional area

Among the four major regions of the country—Northeast, North Central, South and West—Americans living in the West spend more on dining away from home than people living in other regions. In 1980-81, Westerners spent $17.30 per week in restaurants—up almost 72 percent from the $10.07 they spent in 1972-73. Westerners also allocated the largest proportion of their food budget to dining out—34.2 percent in 1980-81.

Western markets will continue to be lucrative areas for restaurateurs as the Census Bureau projects the population will jump almost 45 percent between 1980 and 2000—the largest gain in the nation. The West—now the smallest region—is expected to be the second largest by the year 2000 and contain nearly a quarter of the population.

Northeasterners spent the next highest amount on dining out in 1980-81—$16.67 per week. This was up 68 percent from the $9.94 they spent in restaurants eight years earlier. Northeasterners allocated 31 percent of their food budget to eating away from home in 1980-81—slightly below the 32.4 percent average.

The Census Bureau projects the total Northeast population will actually decline between 1980 and 2000—dropping 5.6 percent. As the population decreases, restaurateurs may have a tougher time battling the competition.

Southerners spent $16.05 a week on eating away from home—up a tremendous 94 percent from the $8.27 they spent on dining out in 1972-73—the largest increase among the four regions. Southerners also spent a relatively high percentage of their food budget on eating out—34 percent—substantially above the 27 percent they averaged during 1972-73.

The South presents lucrative opportunities for restaurateurs since its population is growing at the second fastest rate in the nation and is expected to advance 32 percent between 1980 and 2000. The population is projected to jump by 24 million during those two decades so that by the year 2000, 37 percent of the population will live in the South.

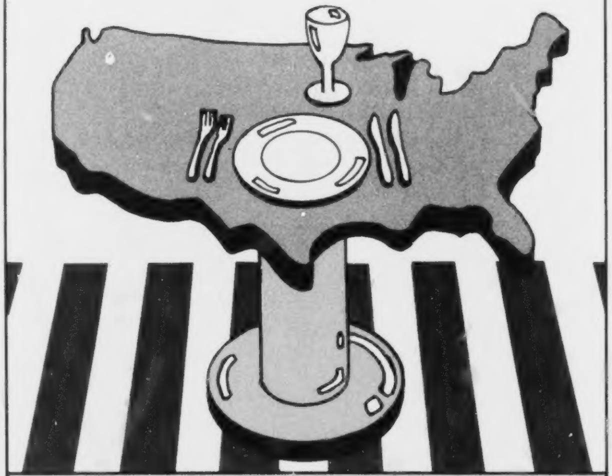
Residents of the North Central region spent the least on dining out per week—$15.63 in 1980-81. Even so, this was up 68 percent from the $9.29 they spent away from home eight years earlier. Out of their total food dollar, North Central residents spent 31 cents per week in restaurants—slightly below the average.

Growth is expected to be slow in this region, presenting increased challenges for restaurateurs. The Census Bureau projects the North Central population will advance only 1.5 percent between 1980 and 2000—representing 22 percent of the total U.S. population by the year 2000.

Trends should help restaurateurs plan . . .

Although these figures are averages and fairly general, the basic trends should help restaurateurs more effectively plan their marketing strategies. Movements, such as more working women, increased numbers of older consumers, the rising number of single households and the growing affluence of many American households, will definitely affect the restaurant industry and provide challenging opportunities.

Consumer group behavior tips



• Consumers between the ages of 35 and 44 dine at atmosphere/specialty restaurants more often than any other age group—3.4 times a month.

• Consumers over 65 years of age are more likely to dine out for simple enjoyment and are more apt to eat out while shopping than most other age groups.

• Younger consumers dine at fast food establishments more often than do other age groups. Those between the ages of 18 and 24 visit fast food restaurants 8.1 times a month, and 25 to 34-year-olds go 6.8 times.

• Households without a wage earner visit family restaurants almost five times a month—more than do other earner categories.

• Singles eat out more often than do other households at all restaurant types.

• Two-income households dine out at fast food restaurants much more often than do other earner segments—averaging almost seven visits a month.

• Two-income households are also more apt to eat out because they don't have time to cook.

• Households earning less than $25,000 a year are more likely to dine out for simple enjoyment than do other income categories.

• Households earning more than $25,000 a year are more apt than other income groups to eat out because of time constraints.

• Northeasterners dine more often at atmosphere restaurants than do residents of other regions—averaging six visits a month.

• Southerners visit fast food restaurants about seven times a month—more often than any other regional group.

• Westerners go to family restaurants more frequently than do other Americans—averaging almost six visits a month.

Summer eating patterns

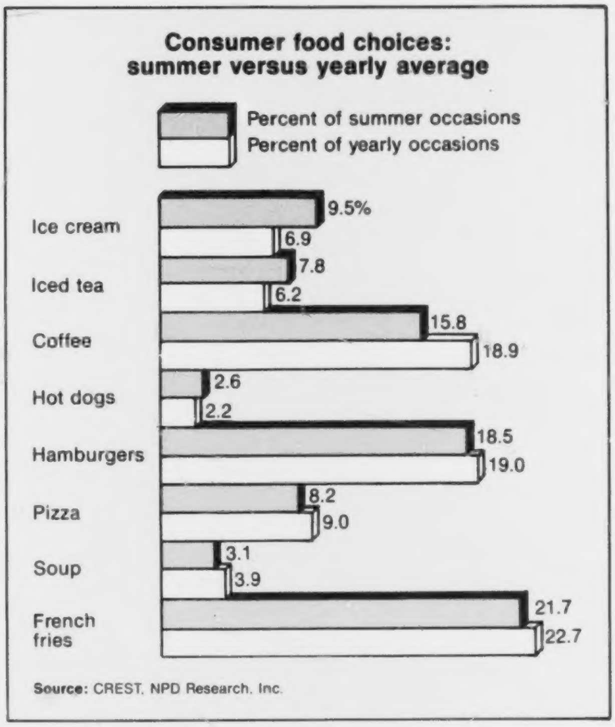
Of all the seasons, summer can be one of the sunniest for the restaurant industry. Whether it's due to more people vacationing, the longer days or simply the desire to escape their hot kitchens, Americans dine out more frequently during the summer.

To look at the differences between eating out patterns in the summer and the rest of the year, this article compares data from the CREST Household Report for the summer quarter (June-July-August 1983) to that for the overall CREST year (December 1982 to November 1983).*

Americans dine out more frequently in the summer . . .

According to the CREST data, members of an average household dined out 9.0 times in a two-week period during the summer—significantly above the 8.4 times reported for the year. The summertime average check size approximated the yearly average, but the percentage of deals was much less during the summer. During the June-July-August period, consumer-perceived deals were used on only 10.4 percent of occasions versus a 12.3 percent average reported for the year. Since Americans tend to dine out more often during the summer, they may not require as many incentives to encourage them to visit a restaurant.

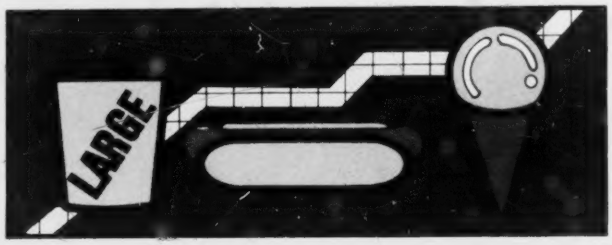
More vacationers dine out during the summer than during the rest of the year. Almost nine percent of the CREST respondents reported dining out while on vacation during the summer quarter. This compares with a significantly lower 5.3 percent yearly average. As can be expected, more consumers also visited a restaurant after an entertainment or recreation event during the summer—8.5 percent. This is higher than the 7.0 percent yearly average and reflects the high number of people who participate in outside recreational activities in the summer months. Take-out traffic, in particular, jumped in this category. During the summer, 14.0 percent of the respondents purchased take-out food from a restaurant after an entertainment or recreational event, while only nine percent did so in a yearly average.


Consumer food choices: summer versus yearly average

Source: CREST, NPD Research, Inc.

Consumers change beverage choice . . .

Predictably, consumers order cooler drinks more frequently in the summer. Iced tea was ordered on 7.8 percent of the occasions during the summer, but only ordered on 6.2 percent of the yearly occasions. Coffee consumption dropped during the summer from an 18.9 percent yearly average to 15.8 percent in the summer quarter. Soft drinks, which are ordered more often than other beverages throughout the year, are ordered even more often during the summer. They were ordered on 30.2 percent of eating occasions, compared with the 28.9 percent yearly average.



Large size drinks also are more popular in the summer. In the months of June, July and August large soft drinks were ordered on six percent of the occasions, compared with 5.3 percent during the rest of the year. Predictably, small size soft drinks are ordered less often in the summer.

Little change in breakfast choices . . .

The changing seasons don't seem to affect breakfast choices. Customers ordered waffles or pancakes, bacon or sausage, and breakfast sandwiches just about as frequently in the summer as during the rest of the year. However, consumers did order slightly more eggs and fruit juices during the summer. Juices were ordered on 2.9 percent of the occasions in the summer versus a 2.6 percent yearly average. Eggs were requested at 4.2 percent of the summer meals, compared with a slightly lower 4.0 percent yearly average. Customers ordered donuts, sweet rolls and breads somewhat less often in the summer, perhaps counting calories during the bathing suit season.

Although sandwiches are popular year round, consumers ordered sandwiches slightly less often in the summer—at 34.6 percent of the meals versus 35.5 percent, respectively. Hamburgers, in particular, dropped from being re-

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* Historically, CREST has reported eating trends for the commercial segment of the foodservice industry based on a diary panel of 10,000 families. The new CREST Household Report incorporates the influence of singles and households of unrelated parties into the data. Consequently, the Household Report contains information from 12,800 households—10,000 family panelists plus 2,800 non-family households.

quested at an annual average of 19.0 percent of the meals to 18.5 percent of summer occasions. However, hot dog orders were up in June, July and August. Hot dogs were requested at 2.6 percent of the summer occasions versus 2.2 percent during the entire year. This is probably due to more people going to theme parks and sporting events like baseball games.

Pizza requested less often in the summer . . .

Consumers don't seem to order pizza quite as often during the summer as during other seasons. They requested pizza at only 8.2 percent of their meals in the summer quarter versus 9.0 percent of occasions for the year taken as a whole.

Beef is also ordered less often in the summer. Customers ordered a beef dish on 5.9 percent of the occasions during the warmer months, compared with a 5.6 percent yearly average. Consumers also ordered chicken, fish or seafood, Mexican and Chinese food on slightly fewer occasions in the summer. On the other hand, people ordered main dish salads somewhat more frequently during the summer months.

In general, consumers seem to order fewer side dishes in the summer. Customers ordered side dish salads on 14.9 percent of the meal occasions during the summer—down from a 15.6 percent yearly average. This may be due to consumers ordering more salads as a main course.

Soup orders, as can be expected, were also lower in the summer. Customers requested soup at 3.1 percent of their meals during the warmer months, versus a 3.9 percent yearly average. Even french fries—the all-American favorite—are somewhat less popular in the summer. Consumers ordered french fries only 21.7 percent of the time during the summer—down from a 22.7 percent yearly average.

Ice cream—a summertime favorite . . .

Although many people closely watch their calories during the summer months, consumers still love to splurge on cool ice cream. During the summer, customers ordered ice cream on 9.5 percent of the reported meal occasions, compared with a yearly average of 6.9 percent. Most other desserts, including pies, cakes and pastries, were ordered less often in the summer.

Spotlight on late spring and summer holidays

It's not only the warm, sunny days of late spring and summer that brighten our spirits; it's also the many special holidays we celebrate. During this period we show our appreciation for mothers, fathers and grandparents. Holidays, such as Memorial Day and Labor Day, signal the beginning and end of summer, while Independence Day is a birthday celebration that marks the middle of the season.

This article spotlights the late spring and summer holidays using information from the CREST Diary Panel for the years September 1976 through August 1983.* Because the study ends in August, the latest available data for Labor Day and Grandparent's Day comes from 1982. For an overview of the entire study, which features 15 holidays and detailed information on Valentine's Day, Easter, St. Patrick's Day and Secretaries Day, please see the February 1983 issue of *NRA NEWS*. The remaining holidays will be highlighted in a future issue.

Mother's Day—May 13 . . .

Americans are more likely to dine out on the "family appreciation" days of Mother's Day, Father's Day and Grandparent's Day than on the other summer holidays. Average check size is also higher on these days, and consumer perceived deals are used most frequently on Mother's Day and Father's Day.

Mother's Day was first observed in 1907. On average, more families dine out on Mother's Day than on any other holiday. During the last seven years, more than one in four families visited a restaurant on this holiday. The average percentage of consumer perceived deals used on Mother's Day has varied over time, but since 1977 more than one in 10 families have used some type of deal.

Review:
Mother's Day 1983

- Almost one in three Americans visited a restaurant on Mother's Day in 1983—the top percentage among the 15 reported holidays. Dining out is apparently a favorite way to celebrate this holiday.
- The average per person check was $3.57—the fourth highest average check. Deals were used on 16 percent of the occasions—a fairly high percentage.
- Mother's Day was one of the most popular holidays among the 18 to 24-year-old age group. A higher percentage of this segment reported dining out on Mother's Day than on any other holiday. Most patrons, though, were between 35 to 64 years old.
- This was one of the most popular holidays in the East South Central region and one of the least celebrated in the Pacific region.
- More than four in 10 families dined out with children—the highest percent-

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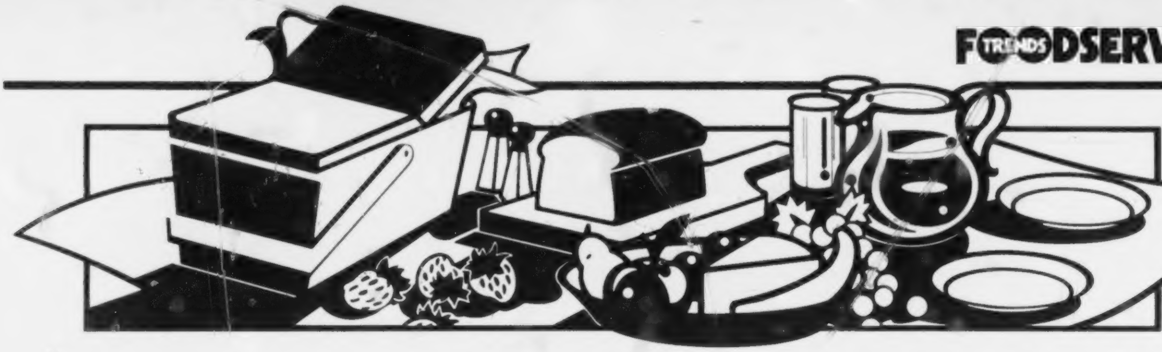
* The CREST information included here is based only on data for families; it does not include singles. The proportion of families eating out on the holiday means that one or any combination of family members ate out. It does not necessarily mean that the family ate out as a group. Also, the information is for all meal and snack occasions on the particular holiday. It does not necessarily mean that the family member(s) ate out for the main meal or ate out specifically to celebrate the holiday. Please note that the day of the week on which a specific holiday falls may influence the results.



age among the holidays. This indicates that when Mother's Day is celebrated in restaurants, it is generally a family event.

- Traffic was heaviest at family restaurants, and the most dollars were spent at family and atmosphere/specialty establishments.
- Most respondents chose to dine out for the lunch or supper meal.

Memorial Day—May 28 . . .

In the United States Americans have honored those who have died in battle since the Civil War years. Memorial Day has been a national holiday since 1948 but has only been the last Monday in May since 1971.

Since 1977, one in five families on average has dined away from home on Memorial Day. The percentage of consumer perceived deals has gradually increased since 1977, but the average remains fairly low—under 10 percent.

Review:
Memorial Day 1983

- Almost one in five families dined out on Memorial Day in 1983, and 12 percent used some kind of deal.
- The average check was $2.34—the lowest average check size among the 15 holidays. This is perhaps because many Americans traditionally celebrate this holiday with picnics and barbecues and do not generally eat large meals in restaurants.
- Residents of the West North Central eat out more often on this holiday than many other special days, while East South Central residents and Northeasterners don't celebrate this day in restaurants very frequently.
- Most families—64 percent—who dined out on Memorial Day did so without children.
- Fast food and family restaurants captured the majority of the traffic and dollars in 1983. Almost 45 percent of the families reported dining out for the supper meal.

Father's Day—June 17 . . .

Dads have had their own special holiday since 1910. Sorry, fathers, not quite as many Americans dine out on Father's Day as do on Mother's Day.

Even so, more than one in five families have celebrated this day in restaurants over the last seven years—a relatively high percentage. On average, 11 percent of the patrons have reported using some kind of deal since 1977.

Review:
Father's Day 1983

- More than 23 percent of the respondents visited a restaurant on Father's Day in 1983—the fourth most popular day among the holidays.
- The average check was $3.57—matching the Mother's Day average check. More than 13 percent of the respondents used some kind of deal.
- Father's Day seems to be particularly popular for dining out in the Pacific and East North Central regions, while residents of the Mountain region are least likely to eat out.
- Father's Day is also a popular day for family dining. Almost four in 10 families reported eating out with their children.
- Family and fast food restaurants seem to be the most popular choices on Father's Day. They accounted for most of the traffic and the dollars spent.
- Most patrons chose to eat lunch or supper out on Father's Day.

Late spring and summer holidays

Holiday	Proportion of families dining out	Average per person check	Percentage of deals used
Mother's Day '83	29.7%	$3.57	16.1%
Memorial Day '83	18.6	2.34	11.6
Father's Day '83	23.1	3.57	13.4
July 4 '83	19.0	2.71	9.3
Labor Day '82	20.8	2.40	14.1
Grandparent's Day '82	20.1	3.19	8.4
Total Holiday average	**18.3%**	**$2.94**	**11.1%**

Independence Day—July 4 . . .

Americans celebrate the nation's birthday with fireworks, parades and, often, dining out. Although the Fourth of July is not the most popular holiday for dining out, over the last seven years almost one in five consumers has eaten out on this day. A very low percentage of deals has been used on July 4. Since 1977 only 8.5 percent of the respondents reported using some kind of deal on Independence Day.

Review:
Independence Day 1983

- Almost one in five families dined out on July 4 in 1983. The average check per person was $2.71—a relatively low amount. Deals were used on only 9.3 percent of the occasions.
- Northeasterners and residents of the East North Central region were very likely to dine out on this holiday, while people living in the Pacific region were least likely to do so.
- Although the majority of respondents dined without children, more than three in 10 families dined with their children.
- Fast food and family restaurants captured the most traffic and dollars. Take-out meals also accounted for a large percentage of the traffic—probably due to large numbers of people picnicing or going to the beach.
- Supper and lunch accounted for most of the customer traffic. Supper captured 31 percent of total traffic and lunch accounted for 23 percent.

Labor Day— September 3 . . .

Labor Day was first observed in 1882 and has been a federal holiday since 1893. Many people think of Labor Day as the beginning of fall and celebrate with outside activities to say farewell to summer. Almost one in five families has dined out on Labor Day since 1977. On average, consumers used a comparatively low percentage of deals—9.3 percent.

Review:
Labor Day 1982

- More than one in five families visited a restaurant on Labor Day. Deals were used on 14 percent of occasions.
- The average check was $2.40—the lowest reported average check after Memorial Day. As on Memorial Day, this probably reflects the large number of people who picnic or barbecue on Labor Day.
- Residents of the Mountain region seem to dine out on Labor Day more often than on most other holidays, while Northeasterners and people living in the East South Central region are least likely to dine out on Labor Day.
- A large proportion of families dine with children on Labor Day—almost four in 10.
- More than 40 percent of restaurant patrons visited fast food restaurants. As can be expected, take-out traffic was also proportionately high on this holiday.

Grandparent's Day— September 9 . . .

Grandparent's Day is a newcomer on the holiday scene. It has been an official holiday only since 1978 but has steadily grown in popularity. In 1978 8.4 percent of the respondents dined out on this holiday. By 1982 more than one in five families celebrated this day in a restaurant. The National Restaurant Association is a co-sponsor of this special holiday.

Review:
Grandparent's Day 1982

- More than one in five families dined out on Grandparent's Day in 1982.
- The average check was $3.19—a relatively high average. The percentage of deals used was the lowest among all the holidays—8.4 percent.
- Residents of the East North Central and Mountain regions are very likely to dine out on this holiday, while people living in the West North Central area are least likely to do so.
- Family and fast food restaurants captured the highest proportion of traffic and dollars on this special day.

Ways to promote late spring and summer holidays

Mother's Day

- Offer family specials since this is primarily a day celebrated by the whole family.
- Provide complimentary flowers or souvenir photos for mom.
- Give prizes for the biggest family or offer two-for-one specials for children.
- Promote the evening as a night on the town for mom. Offer theatre or movie tickets as a door prize.

Memorial Day

- Offer your customers a warm weather menu—cool drinks, refreshing salads, exotic ice cream concoctions.
- Provide a "get in shape" summer menu. Focus on low-calorie, nutritional entrees.
- Put together a special take-out picnic package.

Father's Day

- Make dad feel like a million dollars—offer extras like special beer mugs, sporting events tickets or T-shirts.
- Offer man-sized portions just for dad.
- Sponsor a father-of-the-year contest and give the winner a complimentary dinner on Father's Day.

Independence Day

- Jazz up your desserts with candles or sparklers.
- Offer a special Fourth of July birthday lunch box with balloons, party favors and all-American foods like apple pie.
- Sponsor a little miss (or mister) firecracker costume contest for the kids and give away free strawberry sundaes to all participants.

Labor Day

- Promote a take-out picnic basket especially for barbecues, including fried chicken, coleslaw and, of course, plenty of napkins imprinted with your restaurant's name.
- Sponsor an end-of-the-summer celebration and offer all of your most requested warm weather entrees.
- Organize an all-you-can-eat watermelon contest.

Grandparent's Day

- Offer an old-fashioned menu with old-fashioned prices.
- Sponsor a contest for grandma's favorite pie or the most unique dessert recipe.
- Offer a prize to the grandparent with the most grandchildren.
- Provide souvenir photos of grandchildren.

Freeze/flu affects cost of fruits/vegetables, poultry/eggs

Food costs were dealt two heavy blows this winter—the severe freeze and the avian flu outbreak. The frigid cold wave primarily affected fruit and vegetable prices, while the avian flu attacked the poultry and egg markets. In January, the Producer Price Index for all foods jumped 6.3 percent over a year earlier, and NRA's Wholesale Food Cost Index rose 7.1 percent—the largest increase in more than a year.

Freeze affects citrus prices . . .

The severe freeze early this winter hit many citrus growers hard. As of February, total orange production was down 40 million boxes from a year earlier. Florida oranges accounted for most of the loss. They were 29 million boxes short of last year's total production. This, of course, has contributed to a jump in prices. Fresh orange prices had increased 39 percent by the beginning of February from $4.08 a box last year to $5.68 a box this year. A smaller than usual California crop also helped boost orange prices. Prices for processed oranges, at the grower level, have dropped, though. This is because many juice oranges were so badly damaged by the freeze that growers cannot sell them. Consequently, the United States will be importing a great deal of processing oranges from Brazil which will raise overall juice prices. As of February, the wholesale price of frozen orange juice had risen 7.6 percent. Brazil has fewer oranges in stock than normal due to high exports

Percent change in food costs

Commodity	Nov. '82 to Nov. '83	Dec. '82 to Dec. '83	Jan. '83 to Jan. '84
Poultry and eggs	14.9%	19.9%	36.4%
Poultry	14.4	20.5	24.5
Eggs	16.0*	17.7*	66.1
Vegetables	13.5	7.1	30.3
Fresh vegetables	22.2	10.4	50.5
Fruits and juices	8.5	6.1	4.8
Fresh fruit	15.4	10.5	4.3
NRA Food Cost Index	**1.7%**	**1.6%**	**7.1%**
All food, Producer Price Index[1]	**2.3%**	**2.9%**	**6.3%**

[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

*Estimated figures due to unavailable figures from BLS

Sources: Bureau of Labor Statistics, *Producer Price Index*; NRA.

last year. This may contribute to even higher prices.

Grapefruit prices have been higher than normal for most of the year and should remain that way through July. Prices are expected to rise seasonally during the spring and then level off by mid-summer. Grapefruit prices may vary across the country due to different regions being affected more severely by the freeze. According to USDA, Midwest and West grapefruit prices may jump because the Texas grapefruit crop was badly damaged. In the East, though, crops weren't as seriously affected and prices should not change drastically.

Apple prices are also higher than a year ago due primarily to increased demand and smaller carryover stocks. Canned apples are relatively less expensive than many other canned fruits, and this has boosted the demand for canned apples—helping to lift the price for this product. As of February, farm prices for apples were 16 cents a pound—up significantly from 12 cents a year earlier.

Fresh winter pears remain a good buy, and should be plentiful through the spring. According to USDA, pear prices have dropped 35 percent from $308 a ton to $201 a ton due to very large supplies.

According to USDA Economist Jules Powell, most vegetable prices, which jumped after the winter freeze, should stabilize by late spring or early summer. In fact, there may even be a glut of some vegetables by April due to many farmers quickly replanting their crops. This could cause some vegetable prices to drop significantly in the spring. Several vegetables were particularly hard hit by the extremely cold weather, such as cabbages, tomatoes, peppers, eggplants, cucumbers and green beans. For instance, as of February, cabbage prices averaged $20 for 1¾ bushel—up dramatically from last year's $2.45. Peppers were $40 for 1⅛ bushel, compared with $25 last February. Eggplant prices rose from $9.18 a carton to $14.68 a carton—also a significant jump. However, tomato prices have already started to drop, due to farmers immediately replanting their crops. Prices for tomatoes, although very high in January, averaged $15 per 25-pound carton in February—down slightly from the $16 per carton recorded a year ago.

Potatoes, although not affected by the freeze, are still in shorter supply than usual due to cutbacks in planting. Consequently, potato prices are currently higher than normal. Planting for the summer crop was up 22 percent, which should cause supplies to rise and prices to drop by mid-summer. The smallest supply of sweet potatoes on record has contributed to higher prices for this commodity. Farmers received low prices for their sweet potato crops last year and consequently reduced their planting.

Lettuce, an important commodity for restaurateurs, should be plentiful and may even be slightly less expensive by the summer due to the healthy California crop.

Flu hurts broiler production . . .

Due to reduced egg sets last fall and the avian flu, broiler output in the first half of 1984 is expected to be down two percent from last year's level. As of late February, the avian flu had destroyed more than 11 million birds—a sizable proportion of the poultry market. USDA is more optimistic about the second half of the year, due to the slowdown of the flu, and expects the total 1984 production level to show a slight increase over 1983.

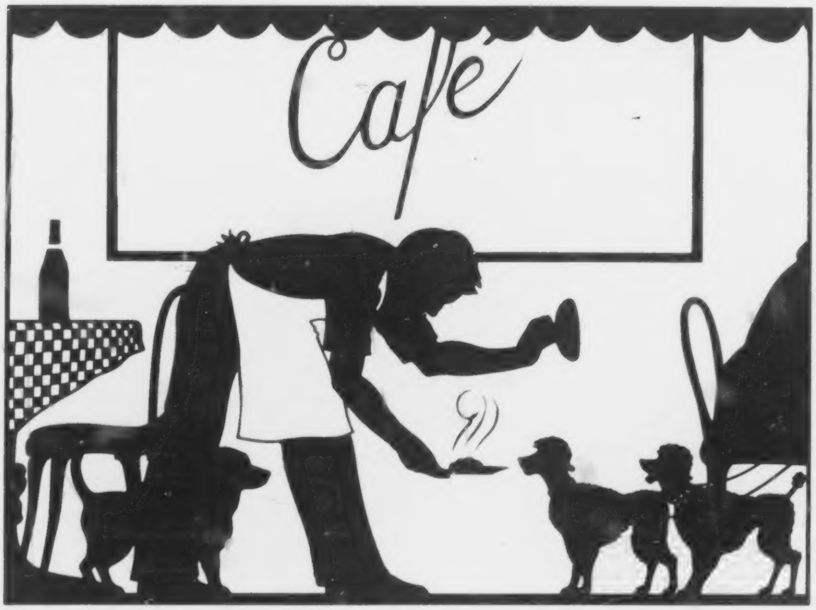
Smaller supplies have driven broiler prices up. As of January, poultry prices were up 24 percent compared with a year earlier. First quarter prices averaged 60 to 63 cents per pound, compared with 43 cents a pound in 1983. Before the flu outbreak, USDA forecast broiler prices would range between 48 and 52 cents per pound—only slightly above 1982's level. Second quarter prices are expected to drop slightly and average 57 to 61 cents per pound. This is still higher, however, than last year's 46.5 cents per pound but closer to USDA's original forecast for second quarter prices—50 to 54 cents per pound. Although production levels should gradually improve, causing prices to drop somewhat, broiler prices are expected to remain strong through 1984.

Egg prices should start dropping . . .

Egg production, already below last year's levels, was further hurt by the avian flu outbreak. In the fourth quarter of 1983, egg supplies were four percent below 1982 levels because egg producers reacted to poor returns and reduced their laying flocks earlier in the year. USDA expects output will remain below 1983 levels through the summer, but total year-over-year declines will moderate.

Egg prices skyrocketed due to the smaller supplies. In January, a grade A large carton averaged $1.15 compared with 63 cents a year earlier—a tremendous 82 percent jump. According to USDA Economist Alan Baker, that was the highest recorded wholesale price for eggs since USDA began tracking egg prices in 1964. Since then, egg prices have begun to come down. A combination of reduced demand and increased production should help stabilize prices by early summer. Even so, the overall lower production levels will keep egg prices above last year's levels. ❑

FOOD FOR THOUGHT



Service for dogs

At Coco's Sidewalk Cafe in Bal Harbour, FL, dogs eat, too. While dog owners are dining on salade Nicoise or splendiferous desserts, their canines are treated to some real pampering, including their own dishes of water or raw hamburger.

Most of the dining dogs tend to be miniature poodles and other similar prim varieties in rhinestone leashes and cashmere sweaters, but Coco's owner, David Migicovsky, says that big dogs are also welcome.

Love me, love my poodle, my German shepherd, my Irish setter.

—*The Miami Herald*

A rose by any other name

It's not often that a restaurant customer complains about his bill being too low, but when it happens the results can be, well, quite dressy.

For three years, Gus Harris, owner of the Woodside Deli in Silver Spring, MD, had been offering women 50 percent off on Thursdays—ladies' night.

It was a popular promotion, but recently a male customer, who complained that his bill was too low and was told that his female companion was entitled to a 50 percent discount, filed a discrimination complaint with the local human relations commission. The commission ruled that the half-price discount violated sex discrimination laws, so Harris was forced to discontinue ladies night.

But that was not the end of the restaurant's promotion policy.

Now on Thursdays between 5:00 p.m. and 10:00 p.m. "any man, woman, boy or girl gets a 50 percent discount," says Harris, "as long as they are properly dressed for 'skirt and gown night.'"

—*USA Today*

Ice cream and tacos are hot in Alaska

What do the natives in 50-degrees-below-zero Alaskan temperatures want to eat? Ice cold ice cream sundaes and hot-sauced tacos.

Strange as it may seem, a Dairy Queen in Kotzebue, AK, and a Mexican restaurant called Pepe's North of the Border in Barrow, AK, both report high sales and happy customers.

When Kotzebue's Dairy Queen opened in 1977, the management had to use a picture to help explain the concept of ice cream sundaes and other frozen dairy products to the mostly Inupiat Eskimo village, but now Dairy Queen ice cream is a household word.

Similarly, in Barrow, AK, where a winter night lasts about three months, temperatures go to −90 degrees, nomadic polar bears are seen on the fringes of town and whalers still hunt from sealskin boats, Pepe's North of the Border Mexican restaurant has become a community landmark.

Owner Fran Tate had a hunch that spicy food would go over big in that climate even though 11 banks had turned down her loan requests. Now, several hundred thousand tacos and enchiladas later, Tate explains her restaurant's success by saying there is something authentic about it. Besides importing her tortillas, beans and taco shells from Mexico, Tate imports almost all of her labor from South of the Border. Currently, 11 Mexicans work at Pepe's.

—*Wall Street Journal* and *USA Today*

NRA SEMINAR SCHEDULE

American Regional Cookery
6/26-27 Detroit, MI

Banquets and Buffets
6/6-7 Los Angeles, CA
6/19-20 Westchester, NY

Simplified Baking Workshop
5/8 New York, NY

Off-Premise Catering
4/30-5/1 Las Vegas, NV
5/19-20 Chicago, IL (NRA Show)

Computers in Foodservice: A Primer
5/19 Chicago, IL (NRA Show)
6/4 New Orleans, LA
6/18 Kansas City, MO

Computers in Foodservice: Advanced Technologies/Now That I Have One . . .
5/20 Chicago, IL (NRA Show)
6/5 New Orleans, LA
6/19 Kansas City, MO

Restaurant Design and Facilities Planning
5/19-20 Chicago, IL (NRA Show)

Dining Room Management
5/19 Chicago, IL (NRA Show)
6/4 Newport, RI
6/13 Washington, DC
6/25 Indianapolis, IN
6/27 Wichita, KS

Controlling Food Cost
5/19 Chicago, IL (NRA Show)
6/18 Salt Lake City, UT

Kitchen Management
4/30 Boston, MA
5/2 Binghamton, NY
5/20 Chicago, IL (NRA Show)
5/29 Ft. Worth, TX
6/11 Minneapolis, MN
6/13 Omaha, NE
6/20 Lancaster, PA
6/25 Billings, MT
6/27 Boise, ID

Principles of Labor Cost Management
4/24 Baltimore, MD
5/7 Seattle, WA
5/9 San Francisco, CA
6/11 Dewey Beach, DE

Advanced Labor Cost Management
4/25 Baltimore, MD
5/8 Seattle, WA
5/10 San Francisco, CA
6/12 Dewey Beach, DE

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation
5/19-20 Chicago, IL (NRA Show)

Planning and Implementing Restaurant Marketing Strategy
4/25-26 Denver, CO
4/30-31 Washington, DC

Menu Development
5/20 Chicago, IL (NRA Show)

Creative Merchandising Techniques
5/9 Wilmington, DE
6/4 Tacoma, WA
6/5 Portland, OR

Motivation: Increasing the Desire to Do More and Better Work
4/24 San Francisco, CA
5/2 Minneapolis, MN
5/20 Chicago, IL (NRA Show)

Opening a Restaurant: Before You Start Cooking . . .
5/19 Chicago, IL (NRA Show)

Operational Analysis
5/7-8 Philadelphia, PA
5/19-20 Chicago, IL (NRA Show)
6/19-20 Milwaukee, WI

The Pantry: Prep for Profit
4/26 Detroit, MI
5/1 Las Vegas, NV
5/3 San Francisco, CA

Basic Purchasing
4/30 Little Rock, AR
5/7 Des Moines, IA
6/20 Chicago, IL
6/25 Boston, MA

Soups and Sauces
6/20 Milwaukee, WI

Basic Supervision in Foodservice
5/8 Milwaukee, WI
6/12 Los Angeles, CA
6/26 Boston, MA

Train the Trainer
4/26 Los Angeles, CA

Wine: Sales and Merchandising
5/15 Williamsburg, VA
6/11 Denver, CO
6/28 San Diego, CA

For more information, contact:
NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156 or (202) 638-6100

STUDY GROUP MEETINGS

EDP
4/24-27 Clearwater Beach, FL

Safety Officers
4/25-27 Atlanta, GA

Quality Assurance
5/8-9 Arlington, VA

Purchasing
5/16-18 Chicago, IL

MAECO
5/16-18 Chicago, IL

Foodservice Security Council
7/15-18 Jackson Hole, WY

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

IN-HOUSE PROGRAMS AVAILABLE UPON REQUEST

The Dinner of the Century

You are invited to attend the *"Dinner of the Century,"* a spectacular black-tie evening, featuring an 11-course meal on Saturday, May 19, at the Palmer House in Chicago, Illinois. This feast will be prepared by the 1984 U.S. Culinary Team and will be served with 20 of the finest wines. All proceeds will benefit the U.S. Culinary Team.

Tickets: $500 each
Guest limit: 200

Menu

Elegant Hors d'Oeuvres
Caviare "California"
Essence of Rocky Mountain Black Bear Claw
Sautéed Duck Liver "Hudson Valley"
Supreme of Michigan Asparagus
Jewels of the Sea "Ole Miss"
Sorbet of Passion Fruit "Arizona"
Loin of Lamb "Wyoming"
Floral Salad "Kentucky" with Goat Cheese Soufflé
American Black Walnut Cream
Bonbon Petits Fours Finale

Make out your check today to **The U.S. Culinary Team** and send to NRA, One Park Place, Suite 2000, Chicago, IL 60601. For more information call Richard Gaven in NRA's Chicago office at 312/853-2525.

National Restaurant Association
Vol. 4 ☐ No. 5 ☐ May 1984

NRA NEWS

FOOD ON THE MOVE

NRA MEETINGS

American Regional Cookery

6/26–27	Detroit, MI
7/24	Chicago, IL
7/31	Philadelphia, PA

Off-Premise Catering

7/9–10	Milwaukee, WI
7/23–24	Kansas City, MO

Computers in Foodservice: A Primer*

6/4	New Orleans, LA
6/18	Kansas City, MO

Computers in Foodservice: Advanced Technologies/Now That I Have One . . . *

6/5	New Orleans, LA
6/19	Kansas City, MO

Dining Room Management

6/4	Newport, RI
6/13	Washington, DC
6/25	Indianapolis, IN
6/27	Wichita, KS
7/9	Detroit, MI
7/11	Cincinnati, OH
7/26	Arlington, TX

Controlling Food Cost

6/18	Salt Lake City, UT

Food Cost Management

7/31	Owensboro, KY

Kitchen Management

5/29	Ft. Worth, TX
6/11	Minneapolis, MN
6/13	Omaha, NE
6/20	Lancaster, PA
6/25	Billings, MT
6/27	Boise, ID
7/16	Annapolis, MD
7/23	Portland, ME

Principles of Labor Cost Management*

6/11	Dewey Beach, DE

Advanced Labor Cost Management*

6/12	Dewey Beach, DE

Menu Development

7/30	Des Moines, IA

IN-HOUSE PROGRAMS AVAILABLE UPON REQUEST

Creative Merchandising Techniques

6/4	Tacoma, WA
6/5	Portland, OR
7/26	Grand Rapids, MI
7/31	Jackson, MS

Opening a Restaurant: Before You Start Cooking . . .

7/10	St. Louis, MO
7/12	Minneapolis, MN
7/23	San Mateo, CA

Operational Analysis

6/19–20	Milwaukee, WI
8/6–7	Seattle, WA

The Pantry: Prep for Profit

7/24	Denver, CO
7/26	Portland, OR
7/31	Indianapolis, IN

Basic Purchasing

6/20	Chicago, IL
6/25	Boston, MA

Soups and Sauces

6/20	Milwaukee, WI

Basic Supervision in Foodservice

6/12	Los Angeles, CA
6/26	Boston, MA

Wine: Sales and Merchandising

6/11	Denver, CO
6/28	San Diego, CA

NRA Conferences

8/26–29	National Conference on Marketing, Advertising and Promotions, Long Beach, CA
9/29–10/3	Ninth Annual California Wine Workshop Sonoma, CA
10/28–31	National Conference on Catering, Washington, DC

For more information, contact:

NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156

STUDY GROUP MEETINGS

Food Service Security Council

7/15-18	Jackson Hole, WY

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

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* Please note that there are basic and advanced courses on the topics of labor cost controls and computers. These programs are scheduled consecutively, but either one can be taken independently of the other.

Vol. 4 No. 5 May 1984

NRA NEWS

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Editorial Typists
Barbara Foley
Valerie Pines

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

With this issue of the ***NRA NEWS***, we are initiating the "President's Report" wherein the president of your association will report to you, each month, the major items of significance that your officers and board of directors have been addressing on your behalf. Your membership investment in the National Restaurant Association requires a periodic accounting of activities and results. This is the objective of this report. We hope you approve.

In mid-May, the NRA board convenes in Chicago for an intensive, three-day meeting. We will be reviewing a wide range of association activities, including but not limited to:

Seeking alternatives to sulfite labeling

A task force on additives will report on its negotiations with the Food and Drug Administration. NRA is opposing a suggestion that foodservice operators post warnings to customers when food delivered by suppliers contains sulfiting agents.

Such a labeling requirement would provide a dangerous precedent. It could lead to a whole page in a menu or a whole wall in a restaurant covered with warnings that alarm everybody and inform no one.

The task force, chaired by NRA Director Robert S. Wood, will ask the board to approve an alternative plan. NRA will distribute information about sulfites and restaurant food to appropriate physicians. They, in turn, will warn asthmatic patients who are susceptible to these substances. The medical profession is better at handing out medical information than foodservice operators.

Showing concern about drunk driving

We serve a public that is concerned about drunk driving. NRA is continuing to develop programs to help you show your concern, too. The new management/server alcohol education seminar will be premiered during the NRA Show in Chicago. NRA also will offer it in Washington, DC, and Los Angeles in late spring, and then, through state restaurant associations, it will be presented throughout the country.

A packet of promotional ideas, table tents and posters will also be sent to you shortly. It will help you promote your alcoholic beverage service in a manner conducive to the national goal of reducing drunk driving.

The final responsibility, of course, rests with the *consumer not the server*, of alcoholic beverages. So NRA is preparing a public service announcement for radio and TV. It will remind customers about the importance of alcohol moderation when they dine out.

Supporting beneficial bills

NRA's government relations staff is currently seeking congressional support for two bills that should benefit many of you. One bill would exempt those central kitchens which prepare food for two or more restaurants from federal inspection. With similar bills in the House of Representatives and Senate, it looks as if we may win relief from the current regulation which subjects central kitchens to the same requirements as meat packing plants.

Another bill would extend the Targeted Jobs Tax Credit (TJTC) due to expire at the end of the year. TJTC provides a tax credit of up to $3,000 per employee for employers who hire from nine targeted categories. At least one quarter of the jobs certified for credit are in foodservice. NRA is working to ensure that any tax bill passed by Congress will contain a three-year extension.

Doing a new kind of research

Our NRA researchers have been studying the industry from an additional angle. The "Occasion Segmentation Study" coordinates types of occasions (business meal, celebration, date), types of restaurants (fast food, family, upscale) and restaurant attributes (price level, attentive service, salad bar). Researchers have analyzed more than 800 eating out occasions to come up with new information which should help you meet the demands of your particular clientele more effectively.

Preliminary results will be presented during the NRA Show and the complete results will be published this summer in the ***NRA NEWS.***

Providing a forum for foodservice

The NRA board will review the schedule of national conferences that NRA will offer during the next fiscal year, July 1–June 30. The list is impressive:

- National Conference on Marketing, Advertising and Promotions
  Long Beach, California
  August 26–29, 1984
- Ninth Annual California Wine Workshop
  Sonoma Valley, California
  September 29–October 3, 1984
- National Conference on Catering
  Washington, DC
  October 28–31, 1984
- National Management Conference for Independent Operators (formerly the Tableservice Conference)
  New Orleans, Louisiana
  January 27–30, 1985
- National Conference on Computers in Foodservice
  Las Vegas, Nevada
  March 24–27, 1985.

These five conferences, added to the 316 seminars to be offered throughout the country next year, will enable you to keep abreast of the latest operational trends.

On May 21, I will complete my term as NRA President. It has been a productive year in which NRA launched new programs in nutrition, drunk driving and hospitality training—all designed to help you better serve your customers. We have raised most of the funds to send the U.S. Culinary Team to the International Culinary Competition and selected a new executive vice president. I thank you for the honor and privilege of serving as president of your association.

During the past year, 2,492 new members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your business will be better because your membership builds a stronger association.

Sincerely,

Joe R. Lee
President and Chairman of the Board

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What people are eating when they are on the go—in planes, trains, ships and on the highways—is the focus of this month's cover story.

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Cover:
Setting, Amtrak AutoTrain;
Photographer, Mark Borchelt;
Illustration, Dan Sherbo

SHORT ORDERS

NRA major medical plan combats high medical costs

Over the past decade, health care costs have risen three times faster than the overall rate of inflation. In dollars and cents, this means it now costs an average of $237 for a day in the hospital or $2,500 for the average cost of a typical hospital stay, according to the American Hospital Association. As these costs continue to climb, it becomes increasingly important to have adequate health insurance.

The NRA-sponsored group major medical insurance plan helps provide necessary coverage at reasonable group rates to NRA members, key employees and their families.

By combining the group purchasing power of more than 10,000 NRA members, this coverage is available at rates much lower than if similar coverage were purchased individually.

The plan provides comprehensive coverage for hospital, surgical and medical expenses with lifetime benefits of up to $1,000,000. The plan covers a wide range of expenses, including physicians' and surgeons' fees, hospital room and board charges, prescription drugs, X-rays, lab tests and office visits.

Applicants have until July 1, 1984, to participate in the plan. The insurance rates will be determined by the deductible chosen ($300, $500 or $1,000). The deductible is the amount the insured must pay each year before benefits begin. The higher the deductible, the lower the rates.

Once the deductible is paid, the plan pays 80 percent of all covered expenses until the insured has paid $1,000 in out-of-pocket expenses. Then, the plan takes over completely to pay 100 percent of all covered expenses for the rest of the year.

For further information, contact NRA's insurance administrator Albert H. Wohlers & Co., NRA GROUP INSURANCE PLANS, 1500 Higgins Road, Park Ridge, IL 60068.

An introduction to wine

Wine can be an intimidating subject to those people who have never been properly introduced to it. The International Wine Center in New York City understands this and is offering a free weekly introductory wine tasting class.

Classes run for 75 minutes on varying days of the week starting at 6:00 p.m. They provide a quick, personal and enjoyable way to learn how to look at a wine, how to smell it and, finally, how to taste it.

Classes are held at the International Wine Center located at 144 West 55th St., New York, NY. You can reserve a place by calling 212/757-0518.

Olympic Restaurant Ethics Committee includes 3 NRA members

In order to present an image of quality and integrity during the 1984 Los Angeles Summer Olympic Games (July 28-Aug. 12), an executive board has been appointed for the Olympic Restaurant Ethics Committee.

This board consists of 11 leading southern California restaurateurs—including three NRA members: Jean Leon, chairman of the committee, La Scala, Beverly Hills; Alan Redhead, Hungry Tiger, Van Nuys; and Margie Peterson, Scandia, West Hollywood. They have helped set voluntary standards for pricing and service during the games.

These standards include

- maintaining regular menu prices
- honoring reservation requests from regular clientele whenever possible
- making an effort not to overbook
- attempting to reconfirm reservations by telephone on the day of the reservation
- extending service hours and days, if possible, without compromising standards and
- referring reservations when necessary and possible.

NIFI endowment fund receives $500,000 from Coca-Cola USA

Recognizing the need of the foodservice industry to attract and effectively train tens of thousands of new employees annually, Coca-Cola USA recently made a $500,000 contribution to the National Institute for the Foodservice Industry (NIFI) Endowment Fund.

NIFI, the industry's educational foundation, promotes industry careers, administers student scholarships, fellowships and teacher work-study grant programs. It also develops study courses and textbooks used in more than 300 colleges, universities, industry training centers, and trade association programs.

NIFI's Endowment Fund objective is to create a $10 million permanent trust for future industry educational programs.

"NIFI now has contribution commitments totaling more than $1.2 million—and, with funds already received this fall we can begin to expand scholarship and teacher grant awards," says Richard J. Hauer, NIFI executive director.

WASHINGTON REPORT

Tip reporting is part of 1984 tax package

If the Senate Finance Committee's $48 billion tax package is enacted this year, the IRS will be directed to "monitor" whether the new tip reporting law affects small restaurants "that were not intended to be covered."

In the tax bill's printed explanation, the committee states that it is aware that "the definition of large food or beverage establishments may be too stringent . . . . Treasury may wish to consider whether liberalized reporting and recordkeeping requirements can be prescribed for the small establishments."

Coverage under the new tip reporting law has been the subject of controversy ever since Congress passed the Tax Equity and Fiscal Responsibility Act (TEFRA) two years ago.

Under the law, foodservice establishments must meet new tip reporting requirements if they employ more than 10 full-time employees on a typical business day and any of those employees are tipped.

Thus the new law effectively covers nearly every full-service restaurant in the country, despite Congress' stated goal of reaching only "large" establishments.

There was some speculation at the time the law was written that Congress meant to use a cutoff of 10 *tipped* employees rather than 10 employees. But the final rules state that an employer must count all employees in his operation in determining whether he is covered, regardless of whether they receive tips.

Industry attempts to change this rule have been fruitless, although the Senate Finance Committee did consent this spring to three technical changes, now a part of the Senate tax package before Congress. These include

- allowing an establishment to apply for a reduction in the eight percent reporting threshold to as low as two percent
- allowing employees as a group to petition the IRS for a reduction in the threshold and
- instructing the IRS to prescribe by regulations or rulings the applicable recordkeeping requirements for tipped employees.

TJTC: NRA takes its case to the House

NRA took its case for extending the Targeted Jobs Tax Credit (TJTC) to the U.S. House of Representatives last month when it testified in favor of a five-year reauthorization during a Ways and Means subcommittee hearing.

The Subcommittee on Select Revenue Measures heard testimony from the Treasury Department, Congressional Budget Office, several congressmen, employers, special interest groups and the AFL-CIO.

The credit, heavily used by the foodservice industry, will expire at the end of this year without an extension.

Tracy McManus, government programs coordinator for Morrison, Inc., a cafeteria and foodservice contracting company based in Mobile, AL, testified on behalf of NRA.

McManus emphasized that the credit has achieved its intended goal—increased hiring from among groups traditionally shunned by employers, such as the handicapped and the economically disadvantaged. He also noted that savings from the credit had allowed Morrison to expand, thus creating new jobs.

McManus said NRA believes a long-term extension of the credit is necessary in order to encourage more employers to use the credit and to give them enough time to implement their own TJTC programs.

U.S. Rep. Charles Rangel (D-NY) appeared before the committee to garner support for his bill, H.R. 5094, which would extend the credit for five years. His bill also would raise the ceiling on eligible wages from $6,000 to $10,000 per year, and it would raise the income level for determining if an individual is economically disadvantaged.

The administration has suggested that the credit be extended for just one year while a study is conducted.

A witness from the Treasury Department noted that there is currently little data on the credit. The witness also said that, based on Department of Labor statistics, participation in the program has been low, which suggests that "there could be enormous growth in the use of this subsidy program if employers checked the eligibility of workers whom they currently hire."

Treasury said it sees merit in the credit because "there may be significant social benefits achieved from targeted workers finding employment in the private for-profit sector of the economy. These social benefits include gaining economic self-sufficiency for individuals who have been dependent on welfare or for young persons from economically disadvantaged families who may never become part of the mainstream labor force if they are not employed at an early age."

But the AFL-CIO claimed that there "is no evidence that the program has generated any new jobs. Rather, evidence shows that employers received windfall tax benefits for doing what they would have done anyway."

NRA disagrees. NRA is working with a number of employer groups to include the Senate Finance Committee three-year extension as part of any final tax.

NRA fact sheet says drunk driving not related to drinking age

Research has *not* demonstrated that changing the drinking age has a significant effect on alcohol-related traffic accidents, according to an NRA-prepared fact sheet circulated on Capitol Hill.

The fact sheet, which cites a number of studies, was developed to support the association's position that federal legislation to raise the drinking age will not solve the problem of drunk driving.

Legislation that would raise the drinking age to 21 is now under consideration in both houses of Congress. A House bill (H.R. 3870), introduced by James Florio (D-NJ), has been reported out by the House Energy and Commerce Committee and is now pending before the Rules Committee.

A companion Senate measure (S. 1948), introduced by Richard Lugar (R-IN), has not been taken up at the committee level. Both bills would establish a minimum purchasing age of 21 and require enforcement by the Commerce Department.

NRA believes such legislation would violate the 21st Amendment, which repealed Prohibition and gave the states exclusive authority to regulate alcohol. But beyond the constitutional argument, and perhaps more fundamental to the issue of drunk driving, is the question of whether raising the drinking age actually reduces the incidence of driving while intoxicated.

Although public interest groups argue that raising the drinking age has resulted in a reduction in drunk driving, close scrutiny of the data does not bear this out.

NRA has found that research in this area does not establish a clear cause and effect relationship between the drinking age and alcohol-related crashes, and it does not adequately address a number of underlying variables that affect traffic accidents.

One review of the research concludes that "analyses reveal no consistent or predictable pattern of changing highway crash involvement attributable to raising the [purchase] age."

Studies that attribute a decrease in traffic accidents to an increase in the drinking age generally have not taken into account such factors as increases in gasoline prices, number of miles driven, changes in DWI enforcement, increased public awareness programs and changes in police reporting practices.

Other evidence demonstrates that there are vast year-to-year changes in the number of traffic fatalities, regardless of whether the drinking age has been changed.

Also, studies have shown that teenagers as a group are less likely than individuals in their twenties and thirties to be involved in alcohol-related fatal accidents.

It has also been demonstrated that raising the drinking age does not discourage teens from drinking. When the drinking age has been raised, there has been no corresponding decline in alcoholic beverage sales.

NRA believes that increased enforcement of DWI laws and stiffer penalties, coupled with increased public education, are appropriate and effective ways of curbing drunk driving. These policies would not needlessly penalize young Americans and, according to the National Bureau of Economic Research, could result in reduced drunk driving.

To help stop drunk driving, NRA has begun its own alcohol awareness program to encourage practices in restaurants and taverns that will reduce the likelihood of overconsumption and drunk driving.

NRA plans workshops to teach foodservice operators about state liquor laws, the physical effects of alcohol, the visible signs of overconsumption and methods of preventing intoxication.

It is also participating in the Licensed Beverage Information Council's "Friends don't let friends drive drunk" campaign, has pledged support to Students Against Driving Drunk (SADD) and will jointly sponsor projects with Mothers Against Drunk Drivers (MADD).

Central kitchen legislation moves forward

NRA efforts to exempt restaurant central kitchens from burdensome federal inspection moved forward in late March. House Agriculture Committee Chairman Kika de la Garza (D-TX) joined with members of the Senate Agriculture Committee in sponsoring legislation to remove federal meat and poultry inspection requirements from restaurant central kitchens.

De la Garza's bill, H.R. 5223, would exempt from inspection central kitchens that prepare ready-to-eat food for sale to consumers at restaurants owned or operated by the same company. The bill would not exempt those central kitchens that cook food to be sold in packaged form.

The bill has the support of the ranking Republican on the committee, Edward R. Madigan (R-IL), as well as Majority Whip Thomas Foley (D-WA) and committee members James M. Jeffords (R-VT) and Tom Harkin (D-IA). Rep. Ike Andrews (D-NC) is a sponsor also.

The bill is nearly identical to legislation (S. 2256) introduced in the Senate by Sen. Walter Huddleston (D-KY), ranking Democrat on the Senate Agriculture Committee.

Under current law, a restaurant central kitchen that distributes food products to two or more restaurants must meet the same inspection requirements as large meat-packing plants. NRA has argued for several years now that central kitchens should be treated the same as restaurants, which are exempt from the Federal Meat and Poultry Inspection Acts.

State and local health and sanitation codes sufficiently protect restaurant patrons, NRA contends, and requiring a restaurant to meet duplicative federal requirements adds to costs.

With the backing of influential members of the House and Senate Agriculture Committees, NRA hopes that the de la Garza and Huddleston measures will move forward quickly. NRA members can help by contacting their congressman and senators and asking them to support H.R. 5223 and S. 2256.

James Coyne

James Coyne discusses the Office of Private Sector Initiatives

When Ronald Reagan became President, he established an Office of Private Sector Initiatives in the White House because he believed that local businesses and community agencies could work together to solve some of America's social and economic problems.

Out of this partnership have come urban revitalization projects, programs to train the hard-to-employ and instruction in a wide range of vocational and business skills.

Because NRA and many of its members have long been involved in the efforts the White House is now encouraging, ***NRA NEWS*** talked with former Congressman James K. Coyne, the President's special assistant for private sector initiatives, to learn more about how the foodservice industry can become involved in the office's activities.

***NRA NEWS:* What led President Reagan to believe that the private sector is needed to help solve some of our national problems?**
COYNE: The President decided to set up the office because he felt that Americans have become mesmerized with the false belief that whatever the problem is there is only one solution—more federal programs.

One of the reasons for this impression is that we have never involved all parts of society in the problem-solving process. We have not built a partnership between business, labor institutions, non-profit groups, schools and government. Whether it's a problem like hunger, education, highway safety, drug abuse or health care for the elderly, we've falsely focused on just government programs as a solution.

President Reagan created this office to build the kind of partnership I'm talking about.

***NRA NEWS:* What are some of the areas where your office sees the greatest need for private sector involvement?**
COYNE: We deal with a full range of issues from helping the homeless and the hungry to training displaced workers—just about anything where the private sector can make a difference.

One way of getting involved is by participating in trade associations. Trade associations are no longer just narrow, defensive groups out to protect their members from government interference and higher taxes. Today, they accept more responsibility for challenges facing our country. So we've been working quite a bit with various trade organizations.

Major corporations, too, have a devoted a lot of resources to community involvement. The corporations realize that these activities will increase their visibility—and that's good for business—but they're principally doing it because they understand that as a member of society they have responsibilities.

***NRA NEWS:* What about the foodservice industry? What can it do to help?**
COYNE: Who can do a better job of dealing with hunger in our society than the food industry? Whether it's restaurants, food distributors or grocery stores, these are the kinds of groups our office would like to see trying to tackle this problem.

I'd love to see the entire restaurant industry develop an initiative to provide food—surplus food perhaps—to the nation's hungry. Your industry has such an expertise and understanding of feeding people that with the producers, distributors and government you could become a real force in feeding the hungry. If fast food chains can sell billions of hamburgers a year, at such a low cost, they could really help those people who fall through the cracks of federal support.

Education is another important area where restaurants can help. There are many restaurants that have gone to the local school system and said, "We want to teach your kids about the restaurant profession." And so they bring classes into restaurants and teach them about restaurant management. They establish an awareness about the industry that might not have existed before.

We call this program "adopt-a-school" because business forms a long-term partnership with a school, providing expertise, tutoring, financial support, surplus or donated equipment, curriculum advice, support for outstanding teachers, field trips or courses on technical subjects that aren't normally taught. Just a one-day course on the business of feeding America would be something a restaurant could do.

One thing we're trying to get across is that everyone, every business, has some responsibility for educating our children. We can't afford to leave education to a small ivory tower if we're going to deal with the challenge of immigration or changing technology. Just look at restaurants—all the technological changes that have occurred in the last 10 years. The young people have got to stay on top of that technology.

I've talked to restaurant owners who are furious about how much our education system has declined in the last 20 years. They tell me that high school graduates apply for jobs who can't even add up a check without making mistakes. They complain that these graduates are not interested in their work and don't understand the responsibility of showing up for work each day. If these restaurateurs are aware of the problem, then they've got to get involved and become part of the solution.

***NRA NEWS:* Suppose a restaurateur wants to help. How does he get involved?**
COYNE: I've had people call from all over the country and say, "I don't know quite what to do." Our office acts as a kind of matchmaker. We try to connect callers with a non-profit group, a school superintendent, a local government official, someone we know who can help them get started. We act as facilitators.

—Jay Morris

Editor's Note: *For more information on how you can help, contact the Office of Private Sector Initiatives, (202) 456-6676. Also see the story on page 11, which describes how restaurateurs are extending a helping hand to the community.*

THE BOARD ROOM

Machus addresses industry issues

In preparation for a busy year of speaking engagements and coast-to-coast travel, NRA President-elect Harris Machus recently addressed members of the Utah and Oklahoma restaurant associations on industry trends and issues of vital concern to foodservice.

On April 18 Machus told the board of directors of the Oklahoma Restaurant Association, "By the end of the decade, this country's dietary habits will be entirely transformed. Either we will respond to these changes or we will be out of business."

"Today's consumers don't just eat food: They think about it, read about it and talk about it. They are interested in new foods, such as American regional cuisine and ethnic cuisine. Yet they are concerned about moderation—both because of health and the preoccupation with reducing drunk driving. . . .

"Good business sense and a sense of social responsibility suggest that we take the wants of these people into consideration as we plan our menus."

On the issue of public concern about preservatives and additives, Machus said, "Our customers are deeply concerned about additives and preservatives."

"NRA would like to find a way to warn asthmatics about the danger sulfites might pose to them without alarming the rest of our guests. We believe the best route is through the physician. NRA is prepared to supply the allergists and lung doctors, who treat asthmatics, with the proper brochures and pamphlets."

On the subject of alcohol awareness and the responsibility for drunken driving Machus said, "We believe that the ultimate responsibility for accidents caused by drunk drivers lies with the consumer, not the server of alcoholic beverages. However, if the foodservice companies that serve alcoholic beverages train their staff and introduce prudent practices and promotion, we will reduce the pressure to regulate the industry further. And, perhaps more importantly, we will show our customers that we are responsive to their concerns."

Balestreri praises collective action

NRA Treasurer Ted Balestreri, president and co-owner of the Sardine Factory in Monterey, CA, praised the benefits of collective action through membership in NRA and state restaurant associations at the Pacific International Convention in Seattle, WA, on April 8.

Balestreri told the 200 foodservice professionals assembled for the convention, "Business is good right now. The recession is over. This is our second year of strong growth. But—we still have our problems.

"The government faces a huge deficit. New tax bills have provisions aimed squarely at us. Our customers demand value for the dollar and a high standard of hospitality. At the same time, they are concerned about nutrition and drunk driving. They want us to respond.

"Through the NRA and our state associations, we are responding to these challenges. Our grassroots political outreach can make our representatives listen. NRA's Hospitality Program will be brought to your region. Its alcohol awareness program will be brought to you through the state associations. These programs will help us respond to the demands of our customers.

"Our associations help us deal collectively with problems we cannot handle alone. Participating in their activities shows good business sense."

NRA directors promote industry

NRA directors Stephen Elmont, president of Creative Gourmet, Inc., in Boston, MA, and Michael J. Grisanti, president and co-owner of Casa Grisanti, Inc., in Louisville, KY, participated in the Third Symposium on American Cuisine at the Westin Hotel in Boston on April 3, 1984.

More than 300 food editors and writers, restaurateurs and foodservice professionals attended the symposium where Elmont participated in a panel discussion on "marketing nutrition in foodservice," and Grisanti presented a case history on the evolution of an American restaurant.

Machus honored by MSU's HRI School

NRA's President-elect Harris O. Machus, president and owner of Harris O. Machus Enterprises, Inc., in Birmingham, MI, will be a guest of honor at the 32nd annual reunion of Michigan State University's (MSU) School of Hotel, Restaurant and Institutional Management (HRI). More than 600 guests, including MSU and HRI graduates and members of the foodservice industry, are expected to attend the reunion during the NRA Show at the Hyatt Regency Chicago on Sunday, May 20, 1984 at 6:00 p.m.

Machus, a graduate of Michigan State University, is the first non-HRI graduate to be honored by the foodservice school in its 32-year history. According to a spokesman for the Alumni Association and the School of Hotel, Restaurant and Institutional Management, Machus, who "epitomizes success in the industry," has been singled out for his "strong support of HRI and considerable contributions to foodservice." In addition to monetary support, Harris O. Machus Enterprises, Inc., participates in the school's intern program which places 100 top students in management training positions in foodservice.

Members of the foodservice industry are invited to attend the 32nd annual reunion. Tickets for the affair, which includes a buffet dinner, are $25 and can be purchased at the door.

—Dorothy Dee

Restaurateurs give a helping hand to the community

"The only ones among you who will be really happy are those who have sought and found how to serve."
—Albert Schweitzer

It may sound simplistic for such a complicated business, but the entire essence of the foodservice industry is condensed into three words: People serving people. And the relationship between restaurateur and patron doesn't stop when the operator bids goodnight to the last customer of the evening. In recent years, an increasing social awareness has led restaurateurs to spend countless hours volunteering their time, food, resources and energies to help make their communities a better place to live.

What some operators have done is the story ***NRA NEWS*** would like to tell here to demonstrate that restaurateurs can help improve their neighborhoods and contribute to society.

Tennis star Jimmy Connors, a goodwill ambassador from the sport of tennis to Ronald McDonald Houses all over the world, takes time out of his busy tournament schedule to visit the Ronald McDonald House in Chicago.

Donating food to charities . . .

There's not a restaurateur who doesn't feel a twinge of guilt when he has to throw food away, especially when he knows there are people in the community who go hungry. A number of operators have donated excess or under par—but still edible food—to charitable organizations for distribution to the community. Others have expressed interest but fear legal liabilities. What many restaurateurs don't realize is that 36 states and the District of Columbia (see list) have state laws that limit the liability of food donors.

Yale University in New Haven, CT, and the Hotel du Pont in Wilmington, DE, are just two foodservice institutions that aid their community's hungry, eliminate needless waste and build goodwill.

Before closing for Thanksgiving, Christmas and spring break, Yale University donates its leftover food from the student dining halls to the New Haven Food Salvage Project (NHFSP). Alan Kenney, Yale's director of dining halls, explains that the school now contributes $200 to $400 worth of food before each break that otherwise would be thrown away. "Our milk comes in six-gallon dispensers. Full ones can go back to the dairy, but the remains of open dispensers used to be thrown down the sink before we contributed to NHFSP. Other perishable items we donate include lettuce, cottage cheese and yogurt. NHFSP picks up the food and uses it for food wagons and soup kitchens in the New Haven area."

The New Haven Food Salvage Project is a member of the Chicago-based national food bank network, Second Harvest. Restaurateurs in any part of the country can find out where to donate food by contacting Second Harvest at (312) 341-1301. A regional coordinator in the caller's area will make arrangements for pick up and delivery.

The Hotel du Pont in Wilmington, DE, also makes productive use of leftover food that would otherwise be thrown away. It began its contribution to the city's needy when the hotel held a Thursday brunch. Leftover food from that brunch was regularly given to Brother Ronald Giannone of the Ministry of Caring in Wilmington. Although the brunch is now discontinued, the Hotel du Pont still stays in touch with the Ministry of Caring. When the hotel recently received outside bread samples—much more than it needed—Brother Giannone received the surplus. "We are very grateful for anything we receive. Our need is great and growing steadily. In 1980, we served 39,212 meals, and in 1983 the number increased to 110,831," laments Giannone.

UGLIEST
BARTENDER CONTEST
14
ALL DONATION
TO BENEFIT
NATION
ULTIPLE
SPONSORED BY

Many bars across the country participate in a fundraiser, called the Ugliest Bartenders Contest, to help fight multiple sclerosis.

Restaurateurs to the rescue . . .

Often restaurateurs pitch in during catastrophes. This "compassion in action" has let the public know that restaurant operators care.

Carl Karcher Enterprises (CKE), headquartered in Anaheim, CA, heard about the victims of the Coalinga earthquake last May. CKE contacted the Red Cross and asked how they could help. By working together with their distribution, purchasing, manufacturing and corporate affairs offices and soliciting product donations from their vendors, CKE was able to round up 30,000 pounds of food for these earthquake victims. "We've had a disaster aid policy for some time," explained Manager of Corporate Communications Louise Garver. "We consider aid like this a natural extension of our community-related efforts."

Sometimes the catastrophe is a threatened institution. A child abuse center in Nashville, TN, lost its funding and was on the verge of having to close its doors when Garcia's of Scottsdale stepped in. Not only was the company able to raise several thousand dollars for the center but it also obtained television news coverage on every news program in Nashville so that other individuals or companies could help. "We felt great about this. That child abuse center covers a large area and performs a vital community service. We were delighted to help keep it operating," reports Sharon Spaulding, public relations manager for Garcia's.

Children are also the focus of a major project spearheaded by the McDonald's Corporation.

"The house that love built" . . .

By year's end, there will be more than 65 Ronald McDonald Houses throughout the U.S., Canada and Sydney, Australia. Appropriately named "The house that love built," each Ronald McDonald House provides temporary residences for families of children being treated for serious illnesses at nearby hospitals. For families traveling great distances to receive specialized medical care, the house eliminates costly hotel bills by providing a secure place to stay. Additional strength and stability are received from other resident families in similar situations.

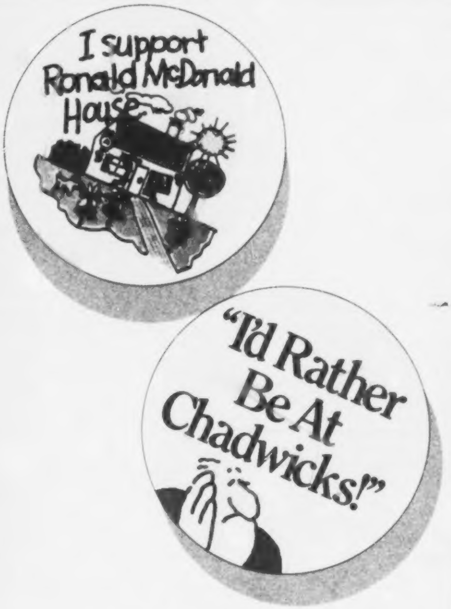
The first Ronald McDonald House opened on Oct. 15, 1974, as the result of the dedicated efforts of Fred Hill, a former Philadelphia Eagles football player. After Hill's young daughter Kim was treated for leukemia, Hill and his teammates decided to do something to benefit families of children who were hospitalized. Kim's physician suggested a "home-away-from-home" facility near the hospital. The Eagles contacted the Philadelphia-area McDonald's franchisees for help. These restaurateurs joined the Eagles to create the first Ronald McDonald House by conducting in-store milkshake promotions to raise a large part of the funds needed to purchase and renovate a seven-bedroom row house. Since then, each house always involves local McDonald's restaurants as major initial fundraisers as well as a national umbrella organization that assists with local efforts.

State laws limiting liability of food donors

Alabama
Arizona
Arkansas
California
Colorado
District of Columbia
Florida
Georgia
Hawaii
Idaho
Illinois
Indiana
Iowa
Kentucky
Louisiana
Maine
Maryland
Minnesota
Missouri
Montana
Nebraska
Nevada
New Mexico
New York
North Carolina
Ohio
Oklahoma
Oregon
Pennsylvania
South Carolina
South Dakota
Tennessee
Texas
Utah
Virginia
Washington
Wyoming

Each Ronald McDonald House is different. Created by a team of concerned citizens to meet the needs of their community, the facility is owned and operated by a local not-for-profit organization. Members and directors are unpaid volunteers. Many local and national companies volunteer support.

To acquire and develop each Ronald McDonald House costs between $100,000 to more than


I support Ronald McDonald House
"I'd Rather Be At Chadwicks!"

Proceeds from the sale of restaurant buttons are sometimes donated to charities.

This month Ramada Inns is holding a "tropicano casino night" benefit for the Easter Seals. The main attraction: the Folies Bergere.

$2,000,000 per project. Although most houses are renovations, some are new constructions when there are no suitable existing structures.

Families using a Ronald McDonald House make donations ranging from $5 to $15 per day if they can afford it. These fees pay for most of the continuing operating costs.

An anniversary thank you . . .

Some restaurateurs set aside a day or two each year to lend their hands to the community.

Cafe Riggio in San Francisco, CA, commemorated its fourth and fifth anniversaries by joining forces with its suppliers and the Glide Memorial Church's emergency human services program to provide an elegant lunch for 850 needy people.

Cafe Riggio's suppliers provided 13 cases of pint-size cartons of milk, four cases of chickens, two cases of tortellini shells, 50 loaves of sourdough French bread and a substantial discount on five cases of spumoni. The result was a gourmet meal of chicken marsala, tortellini with meat sauce, Italian salad, French bread, spumoni and milk, prepared by the chefs of Cafe Riggio.

Helping volunteers . . .

Helping to feed volunteers is another way to spread goodwill. For the third consecutive year, Bacino's Stuffed Pizza Restaurant in Chicago, IL, has donated 100 stuffed pizzas to feed volunteers and staff during a two-day public television fundraiser. As Dan Bacin puts it: "I believe in this organization. The workers are volunteering their time and effort to a good community cause, and they have to eat." Bacino's provides similar pizza giveaways to the Chicago Symphony Orchestra's fundraiser.

> **"Restaurateurs are very influential leaders in society. When they tell the community they care about a project, the rest of the community follows."**

The Peasant Restaurants, a nine-unit corporation headquartered in Atlanta, GA, hosted one of the largest volunteer expos in Atlanta last October in conjunction with AT&T Communications, Colony Square and the United Way's Volunteer Resource Center. The purpose was to acquaint the general public with approximately 70 non-profit area organizations and the emphasis was on recruiting volunteers. In just a two-day period, 926 volunteers were recruited.

"This volunteer expo was a way to expand community relations and help a lot of non-profit organizations. We were overwhelmed with the success of the program. An event like this really makes you feel like you've made a difference in the quality of society. All of the organizations are helped, and the people who volunteer also benefit since many of them are senior citizens who need a way to feel productive," says Leigh Bonnelle, director of public relations.

Curing illnesses through monetary contributions . . .

Millions and millions of dollars are needed to research and find cures for diseases that plague our nation.

Many restaurateurs have found that the best way to help make a significant contribution to a cause is to join in group fundraisers.

Multiple Sclerosis

Many bars across the country participate in a fundraiser to help fight multiple sclerosis (MS). Called the Ugliest Bartenders' Contest, the contest has nothing to do with physical appeal. The slogan is "Do something beautiful, fight an ugly disease—Multiple sclerosis." This contest originated at an MS chapter in Ohio and grew into a national progam with the Miller Brewing Co. as the major sponsor. Last year the contest generated $110,000 in the District of Columbia, Maryland and Northern Virginia area alone.

Bars were chosen as focal points because MS is a disease that strikes individuals between the ages of 18 and 45—the age range of most bar customers.

In the District of Columbia, Maryland and Northern Virginia area approximately 150 bars compete for the "ugliest bartender" award. Each bar chooses one bartender who scrambles to get votes during a four-week period in the fall. Each vote requires a 25-cent contribution to MS. One bartender sat on a roof for 24 hours to raise about $4,000 in votes.

Many radio stations visit the bars and bring a celebrity to help the contest along. The winners are announced at an awards ceremony and on local television and radio stations.

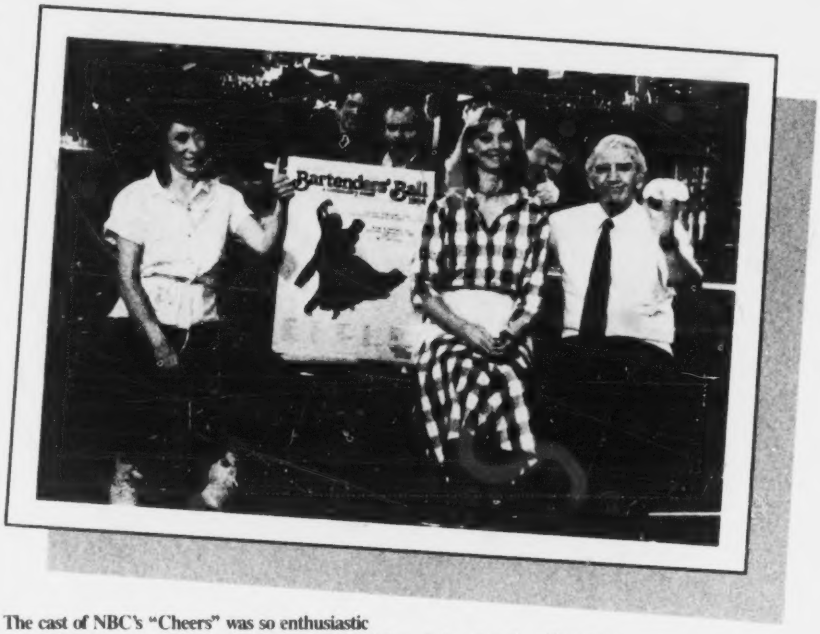
The Market Inn in Washington, DC, won the Ugliest Bartenders Contest for the last two years. In 1983, this restaurant alone collected $12,000 for MS. Half of these proceeds came from a walk-a-thon where customers and businesses pledged money for employees who walked for MS. The other half came from events held at the inn.

Cystic Fibrosis

Garcia's of Scottsdale, a 29-unit chain headquartered in Scottsdale, AZ, adopted the Cystic Fibrosis (CF) Foundation as its corporate charity in 1981 when it discovered that the vice president of operations' son had the disease. Since that time, Garcia's has gone all out to educate the public and to involve all its employees in raising funds for this charity. Vice President of Marketing Steve Maxwell explains, "If your managers are involved in community activities, then customers come to think of your establishment as a restaurant rather than as a building that has 9,000 sq. ft. where you can go to eat. It gives customers a better reason to have a positive feeling toward you." Last year, Garcia's raised $100,000 for CF. This year, their goal is $150,000.

Garcia's has organized a number of special fundraising events:

- **a margaritas for CF day.** On this day, all proceeds from margarita sales—the biggest money-maker at the restaurant—go to CF. In 1983, the event raised $67,000.
- **selling rosebushes** during the planting season for $10 each. Half the proceeds go to CF.
- **a pre-opening benefit dinner** for each new Garcia's unit. Each benefit yields about $4,600 to the local chapter of the CF Foundation. "We turn the restaurant over to the local chapter of the CFF for the evening," says Sharon Spaulding, public relations director.



The cast of NBC's "Cheers" was so enthusiastic about the work of Washington's Bartenders' Ball Foundation that they filmed a public service announcement on location in Los Angeles.

What Garcia's gets from all these generous contributions is a tremendous amount of goodwill. Garcia's Steve Maxwell says sometimes this goodwill is extremely touching: "Last year, we got a thank you letter from parents in Denver who read about CF on our table tent on margarita day. The symptoms sounded like what their daughter was experiencing. They took her to a doctor, and it was diagnosed as CF. Although there is no cure for the disease, early detection can mean a much easier time for the child. One letter like that—just one—makes all of our efforts worthwhile."

> **"An event like this really makes you feel like you've made a difference in the quality of society."**

Special Olympics

Chadwick's, a three-unit operation in the Washington, DC area, hosted a basketball party for the Special Olympics last September and donated 20 percent of the proceeds to the Washington area Special Olympics.

Since that event, Chadwick's has developed good rapport with Special Olympics and is now donating the proceeds of a promotional button that says, "I'd rather be at Chadwick's!" to the organization.

"Although we can't forget that our main purpose is to stay in business and not run charity events, there's no reason not to contribute when you can. It's actually good for business. Sales increase on fundraising nights. I love to write the checks to charity," says Owner Tom Russo.

Easter Seals

Ramada Inns, Inc., headquartered in Phoenix, AZ, has chosen Easter Seals as its corporate charity because "it has a chapter in almost every city. It is a high quality organization and one we believe in," maintains Andrea Trengove, manager of community affairs for Ramada. "Customers who have contributed can see the good of their money in their own community. In 1983, Ramada donated $468,226 to Easter Seals and hopes to donate $500,000 in 1984. The money is raised in many different ways: races, dances, auctions and so forth.

One of the things Ramada Inns is doing to raise the corporate goal in Phoenix is holding a "tropicano casino night" on May 12. Ramada owns the Tropicana Hotel in Las Vegas.

NV, where the Folies Bergere is performed. "It's a real treat for the people of Phoenix because the Folies Bergere are only held in two places in the world: Paris, France, and Las Vegas. We're hoping to collect $50,000 for the Phoenix Chapter of Easter Seals on that one night," speculates Trengove.

Even Ramada Inns' large contributions need to be supplemented, and restaurateurs all over the country add what they can to the charity by combining their efforts.

The South Carolina Restaurant Association, co-sponsors an annual fundraiser for the Easter Seals with the state's law enforcement officers.

The association designates Good Friday as B.A.C. Coffee Day, and operators sell buttons that say "Buck-A-Cup/Brace-A-Child." These buttons cost one dollar each and entitle the wearer to free coffee all day long. Since the campaign began in 1952, more than $2.5 million has been raised for the Easter Seals Society. In 1983, the campaign broke all previous records by raising $231,566.

Restaurateurs band together in their communities . . .

The Santa Monica Bay Area Association, which is a chapter of the California Restaurant Association, organized a 30-restaurant eat-in to benefit the Salvation Army in Santa Monica and Torrance. This Taste of the Santa Monica Bay, as it is called, began in 1982 when 22 restaurants grouped together to raise $4,500 for the Salvation Army. In 1983, the event grew to 30 restaurants and raised $6,000. The tickets were $7.50 in 1982 and $10 in 1983 for an all-you-can-eat buffet.

Gerry Breitbart, director of chapter relations and membership services for the California Restaurant Association, estimates that such an event costs the restaurants between $600 to $1,000—considering food and labor—for about three hours exposure to the community. "This probably generates—through media coverage—about $10,000 worth of goodwill. It's an excellent return on investment, and I encourage restaurants to get involved in this kind of high visibility community-minded event," says Breitbart.

Another reason Breitbart believes restaurateurs should get involved in community activities is that "every businessman has the responsibility to ensure that the community in which he operates stays economically viable. You only earn a good living by giving back to the community. It's really an investment in your future."

New York City restaurateurs also have a success story in their Citymeals on Wheels program.

In a five-month period, American Express, Sugar Foods and 300 New York restaurants helped Citymeals on Wheels raise more than $900,000 to bring meals to older people. Translated from dollars to meals, this means one-quarter million more meals will be available for Saturday, Sunday and holiday delivery to homebound and elderly people who would not otherwise have had a meal.

Restaurateurs hire the handicapped

According to an NRA survey in the fiscal year ending July, 1983, 5,000 impaired persons were placed in foodservice jobs. By hiring the handicapped, foodservice operators offer these individuals a chance to establish self-sufficiency and self-esteem and to become productive members of society.

Windsor House in Windsor, CT, is one establishment that employs four retarded workers. Owner Chuck Rocci told *NRA NEWS* that friends brought his attention to this community need when they had a retarded child and became active in a group to help retarded individuals. Windsor House decided to get involved by hiring retarded workers. That was eight years ago. Rocci describes the quality of work performed by handicapped workers as excellent but adds that "you need an intermediary to provide some direction because each retarded person's potential is different. You need to know what job will suit an individual's capability."

"What's the advantage?" *NRA NEWS* asked. "If you put a dollar and cent value on it, there's probably no advantage," says Rocci, "but we don't do this for a dollar and cent value. We live in this community and these people are our neighbors. That's reason enough."

For more information on how you can help the handicapped, contact Brother Philip Nelan, NRA human resources department, 311 First St., N.W., Washington, DC 20001; (800) 424-5156.

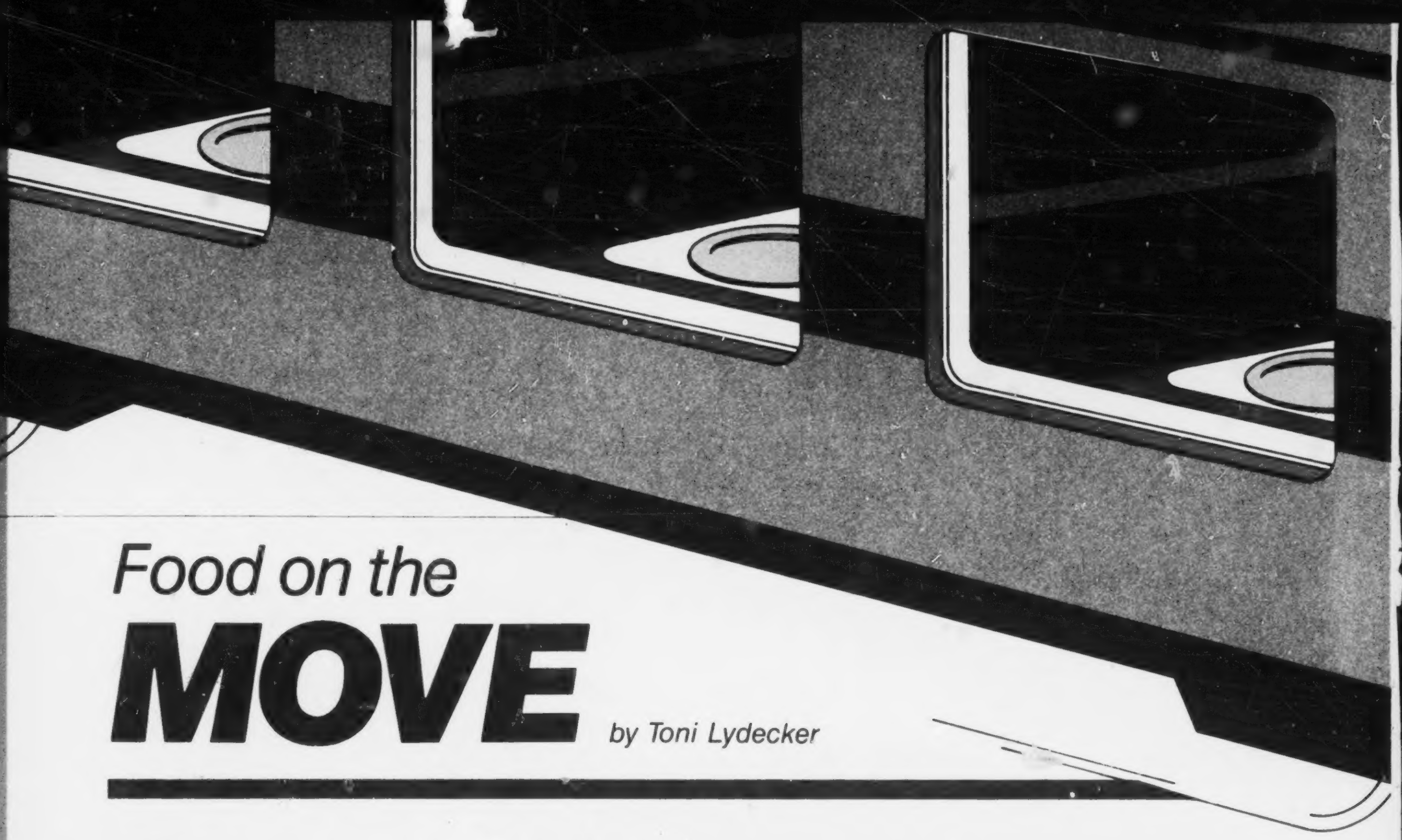
"Restaurateurs are very influential leaders in society. When they tell the community they care about a project, the rest of the community follows. The impact is tremendous," says Marcia Stein, director of Citymeals on Wheels. That is why the Administration on Aging in Washington, DC, has set aside money to produce a handbook that should help other communities repeat the success of New York's Citymeals on Wheels program.

In six years, the Bartenders' Ball of Washington, DC, has raised $310,000 for charity and turned itself into one of the hottest black-tie events in the nation's capital. Restaurant owners, purveyors, distributors and suppliers donate their time and products to make this a sell-out event. This year, the cast of "Cheers," a television program that takes place in a Boston bar, donated a free public service announcement endorsing the ball.

During the ball's first three years, all the money raised was given to the Leukemia Society. In 1982, the beneficiaries included the Leukemia Society as well as five area charities. In 1983 and 1984, all proceeds benefited 10 locally-based charitable institutions. The contributions came from ticket sales of $65 each, which entitled the holder to a gourmet meal and a night of entertainment. Susan Brackna, public relations manager for the ball, told ***NRA NEWS*** that "restaurant people don't really have a lot of opportunity to socialize with each other. This ball gives them the chance. The ball is fantastic fun and a great fundraiser for the community."

A final salute . . .

Foodservice operators have done much to extend a helping hand to their communities. No program is too small to say, "We care about you." Whether it is donating surplus food to a local food bank or raising thousands of dollars in a national campaign, socially-minded programs let the public know that the foodservice industry cares about people. ☐



Food on the MOVE

by Toni Lydecker

Food and drink are not quite the same when consumed on the move. In Graham Greene's novel *The Orient Express*, a veteran traveller calls it a waste of money to buy a good wine aboard a train "for no bouquet could survive the continuous tremor." And Air India's Howard Schultz swears, "There's no such thing as a great cup of coffee on an airplane" (because of the altitude, water boils at a lower temperature, and the coffee does not brew properly). Although their observations may fall more in the realm of psychology than objective fact, the truth is that figuring out what people want to eat while on the move is not easy.

Yet the incentive for transportation companies to please people with their food is very high. Marriott Corporation, a leading airline caterer, provided more than 93 million meals to passengers in 1983. Food sales for Amtrak, the national passenger rail service, are expected to total about $40 million this year. Cruise ships are also large-volume operations, serving meals to as many as 1,500 passengers per trip. Clearly, the company that does not use food as an active marketing tool is likely to lose passengers.

"In the airline industry as a whole, the trend has been to lighter food and a better presentation, rather than something unidentifiable covered with gravy," comments Alex Morton, publisher of *Airline & Travel Food Magazine*, published in Miami Springs, FL.

Fresh approaches . . .

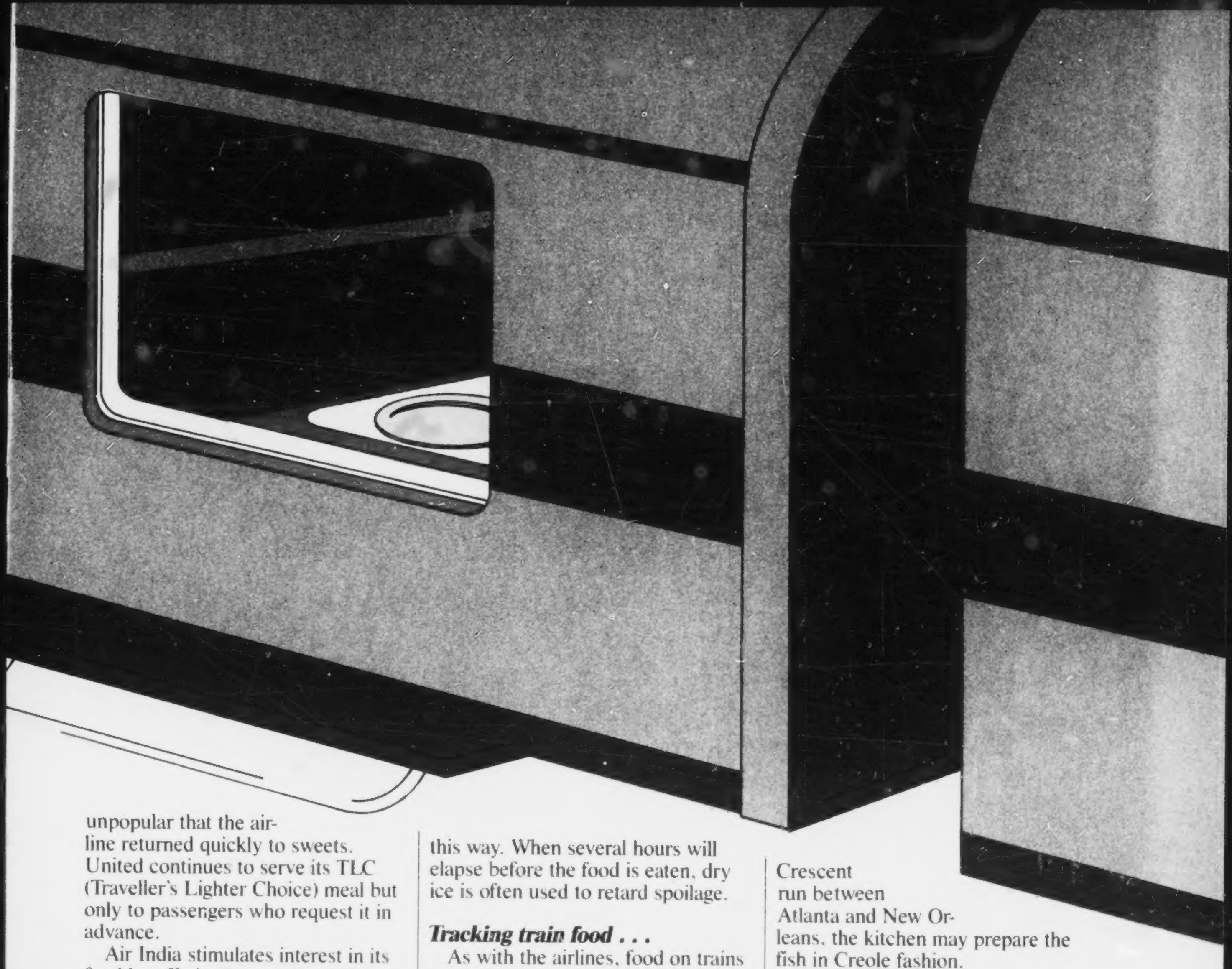
For companies that choose to head in this direction, Midway Airlines can serve as a model. The reason is that Midway, a new business-class flight service based in Chicago, IL, provides only foods that taste best when eaten at room temperature or slightly below. Although the airline decided against in-flight ovens for budgetary reasons, the airline's consumer research supports the decision: It showed that passengers hate being served lukewarm food that was intended to be hot.

On Midway, passengers eat a bran muffin or croissant and fresh fruit for breakfast; at lunchtime, it's croissants stuffed with fillings, such as turkey or roast beef; and sliced turkey, ham or roast beef is the meat on the "light dinner" tray. A fresh vegetable or fruit accompanies both lunch and dinner, and complimentary wine is included. Lunch and dinner always close with something sweet.

Visual appeal contributes to the food's popularity, according to Midway's Public Relations Director Louise Gilliam: "Our food is very labor intensive because we take the time to make it look attractive. All the fruit is cut by hand, and there is usually a nice garnish, such as a carrot curl or a carved onion." The colors of the food stand out against the shiny black surface of the serving box.

Although its food and labor costs are about the same as those of other airlines, Midway eliminates the need for a menu and complicated service by giving everyone the same meal.

The formula that has worked so well for Midway is not a natural for every airline, however. United Airlines, for example, tested cold entrees, such as seafood or fruit salads, on several of its routes. Protests poured in, especially from recreational travellers. "People who don't travel all the time are looking for entertainment when they get on an airplane. Many of them want the fattening sauces and sweet things they wouldn't touch at home," says Jan Masek, staff representative for food and beverage planning. Although a lighter lunch is acceptable to United's passengers, dinner does not find an enthusiastic response unless it is a hot, ample meat-and-potatoes meal. Fruit and cheese for dessert were so



unpopular that the airline returned quickly to sweets. United continues to serve its TLC (Traveller's Lighter Choice) meal but only to passengers who request it in advance.

Air India stimulates interest in its food by offering international flight passengers a minimum of three meal selections. First-class passengers choose among seven entrees.

The colorful menus include vegetarian and nonvegetarian versions of both Indian and Western entrees. All of the food is prepared in a large flight kitchen at Kennedy International Airport in New York shortly before takeoff; the curries travel particularly well because they reheat without loss of quality.

Contrary to the common impression that all airline meals come from a freezer, many are prepared fresh, flash-cooled and then warmed in ovens on the airplane. The point of origin may be a flight kitchen right in the airport or a vendor miles away. Both airplanes and trains are switching from microwaves to convection ovens because the food suffers less deterioration in quality if warmed in this way. When several hours will elapse before the food is eaten, dry ice is often used to retard spoilage.

Tracking train food . . .

As with the airlines, food on trains has had its ups and downs. Ordered by the U.S. Congress several years ago to eliminate a huge annual deficit for its food and beverage service, Amtrak complied by switching entirely to fast food, none of which was prepared on board. Then the passenger rail service acquired a new president, W. Graham Claytor, Jr. He sampled one of Amtrak's reheated sandwiches and, comparing it to wet paper towels, demanded immediate improvements.

In the 18 months since then, Amtrak has restored full-service dinners on its long-distance routes; breakfasts are cooked to order, and about half of the lunch and dinner offerings are prepared on the train. Chefs are encouraged to create regional variations of basic recipes. For example, baked red snapper may be the "fisherman's catch" on the New York to Florida route, while on the Crescent run between Atlanta and New Orleans, the kitchen may prepare the fish in Creole fashion.

Most travellers on shorter trips must continue to eat snack bar fare prepared before the train departs, but even here some changes for the better are apparent. Calzone, a type of folded-over pizza, has become a popular menu item, and a better grade of ice cream is being served. On some lines, there is a club car—Amtrak's version of first class—where passengers can choose among several freshly made salads and sandwiches.

Despite the improvements, Amtrak spokesman John McLeod says, "I don't think the days of finger bowls or real linen napkins will ever come back." Anyone hoping for the return of luxury dining on trains, then, is apt to be disappointed—unless he chooses to follow the example of Elizabeth Taylor. When the cast of her play moved to New York, she chartered an entire car and had dinner catered by Dominique's, an upscale restaurant in Washington, DC.

The fads and fluctuations so typical of train and airline food have hardly touched the cruise ship industry. Here there is no question of reducing portions or quality, for food is a central interest of passengers—not a fringe benefit. A serious eater could dine nonstop on one of the ships run by Sunline Cruises, a subsidiary of the Marriott Corporation. In addition to three formal meals, the ship provides afternoon tea, a midnight buffet and unlimited snacks.

The national trend toward lighter eating has hardly disturbed the foundations of shipboard dining, but Karen Kopta, public relations manager of Sunline Cruises, sees some signs of change. Although rich entrees, such as lobster and steak, continue to reign as favorites, she reports that a few more passengers are avoiding heavily sauced foods and asking for low-calorie dishes. And Publisher Alex Morton observes that many people tend to revert to their normal patterns when the novelty of heavy eating wears off. "By the third day out, people are abandoning the formal dining room with a full meal for salads and sandwiches on deck," he says.

By special request . . .

People on special diets for religious or health reasons will probably dine less grandly on a cruise than their shipmates who are eating the standard fare. Instead of freshly prepared food, they are usually served frozen entrees taken on board at the outset of the trip. "With 1,200 people to feed, we have no time to make special meals," says Emil Graf, food operations director of the Royal Caribbean.

In contrast, trains and airlines are making vigorous efforts to comply with requests of passengers for special meals. Frontier Airlines offers an astonishing 21 categories of special meals, including such choices as gluten-free and lactose-restricted foods; and most other airlines respond willingly to requests for kosher, low-sodium and vegetarian meals when given at least 24-hours notice. Some also offer an infant's diet and a child's plate that includes such favorites with children as hamburgers and spaghetti.

Air France reports growth in special-meal requests for such categories as Hindu and Moslem meals.

Noticing that three percent of its passengers were ordering vegetarian meals and that many were complaining about the food, United Airlines decided to upgrade its vegetarian offerings. Previously, the meal consisted of large helpings of the same defrosted vegetables that accompany the meat for standard meals. Following a thorough nutritional analysis, however, the airline decided to add grains, legumes and other nutrients necessary to provide vegetarians with complete proteins.

Now a passenger who orders the vegetarian plate may get brown rice with fruit compote and buckwheat groats for breakfast or a vegetarian shepherd's pie for lunch. As evidence that the overall reaction is positive, the airlines exhausted a vendor contract for vegetarian meals in just three months that would formerly have been adequate for a year.

The logistics of food preparation that will go the distance is a particular challenge for transportation companies. One reason sauced dishes are so popular is that they can be reheated with little loss of quality. Shish-ka-bobs, on the other hand, are taboo because the small, exposed chunks of vegetables and meat dry out quickly.

The logistics of food preparation on cruise ships is even more complex, for they may have to be self-sufficient for a week or 10 days between landfalls. Careful menu planning is necessary so that highly perishable items, such as seafood, are consumed early in the cruise. With their excellent refrigeration facilities and time-tested systems for ordering ingredients, most cruise ships serve passengers without a hitch. They can't afford to make many mistakes. As the food and beverage director of one large ship line points out, "You can't run down to the corner if you forget the butter." And that's a fact of life for all companies that serve food on the move. ❑

Hearty eating on a tall ship

Fish chowder, blueberry muffins and a New England boiled dinner are the kinds of food passengers remember from their week-long voyage on the *Stephen Taber*, a "tall ship" that is the oldest documented merchant vessel in continuous use. Built in 1871, the big schooner sails lazily up and down the Maine coast each summer while its 23 passengers dine on the kind of hearty fare a sailor or farmer might have eaten during the last century.

Ellen Barnes, chef and co-owner of the *Stephen Taber*, does it all with the help of one assistant and a wood stove.

With no freezer, careful management of the food supply is essential. Food stays cool in a large icebox, which is stocked with 700 pounds of ice at the beginning of the week. The first night, haddock or another kind of fish is served. Midway through the week, Barnes buys freshly caught lobsters and mussels, cooking them with corn over an open fire on an isolated island. At the end of the week, everyone feasts on prime rib that was delivered frozen and has been thawing slowly in the icebox all week.

Although no systematic restocking is done along the way, there are often a few lucky food finds. "If I see some wonderful, fresh strawberries in a harbor village, I pick them up. There's food on the islands, as well. We sometimes find wild chanterelles, for instance," says Barnes.

The myth that being on the water stimulates the appetite is true, according to Barnes, who marvels at the quantities of food the passengers eat. To make sure they do not return home feeling overfed, she avoids serving rich, greasy foods.

Barnes learned her trade by raising a large family. "It just came through the years. By the time we decided to buy the ship, six years ago, I was absolutely sure I could do it." The response to the food has convinced her she was right.

FOOD ON THE ROAD

by Christine Van Lenten

At any moment in America, a small nation of travellers is on the move, crisscrossing highways, expressways, freeways, parkways and turnpikes. Whether they're truckers hauling the goods that make the economy go round or local shoppers hunting for bargains, they're bound to get hungry. When they're hungry, where do they stop to eat? What are they looking for? And what are they finding?

NRA NEWS interviews with highway restaurants around the country found a healthy diversity in foodservice operations on the road. Traveller preferences support foodservice alternatives ranging from fast food franchises and diners to family-style restaurants and fine food establishments. Here is a look at a few roadside options.

Fast food at low prices . . .

In recent years, Howard Johnson's, the original king of the road, found its turnpike foodservice operations lagging. These sites, held under long-term leases with turnpike authorities, were proving cost-ineffective.

Top management's response to this problem was direct: Give the turnpike travelling public what it wants; and what that public wants, it reasoned, is fast food at low prices.

Accordingly, in 1983, Howard Johnson's took a bold step toward revitalization: It signed an agreement with Burger King that gives the franchisor authority to convert 80 turnpike foodservice operations to Burger King franchises.

Do these outposts, some of them remote, have trouble attracting and holding staff? No, explains John Weir, director of public relations for Burger King. Because there tend to be few jobs in remote areas, people are highly motivated to work. And longer shifts and toll allowances for employees who travel tollways to foodservice sites help ease the problems of distance.

In a development paralleling Howard Johnson's initiative, Weir reports, Truckstops of America, Inc. is opening freestanding Burger King franchises within its complexes and should have 10 sites across the country within the next three years.

Patrons "want to spend less money and less time" on highway meals, Weir observes. In fact, in such a hurry are Burger King patrons that many don't even get out of their cars to order their food; they drive through the drive-through lane.

Food on display . . .

One alternative to the fast food franchise is the old-time cafeteria. The Davis Brothers chain of cafeterias may have some lessons for its colleagues. This Atlanta-based firm opened its first cafeteria in 1939 and began expanding its highway operations 15 years ago. Its string of 16 cafeterias is positioned along heavily trafficked routes that carry the tourist stream from Canada and the northeastern and midwestern United States down to Florida.

Of 16 Davis cafeterias, 13 are attached to motels, and this proximity has helped business. The chain grosses $25 million a year—about half of it from foodservice operations and half from its motels—and employs 1,300 people. An average Davis cafeteria seats 190 persons. It serves 600 to 800 persons daily for breakfast, 200 to 400 for lunch and anywhere from 200 to 800 for dinner.

Philip Yochum, Davis' vice president and general manager, estimates that roughly half of Davis' cafeteria patrons are tourists, with that percentage varying by site and season. That high percentage is no accident. Not only is Davis well-positioned to serve the tourist stream, but the company's full-time sales staff markets the cafeterias hard to tour groups and to businesses. Its large parking lots routinely accommodate buses from points as far distant as Canada, carrying senior citizens, college students, tourists and military personnel.

To increase its visibility to passing motorists, Davis relies upon billboards and a distinctive motel facade. Yochum notes cafeterias need to get the word to the public that they are competitive with fast food operations in their fast service and that they offer much greater menu variety, often including eight or nine vegetables and the choice of eggs cooked to order for breakfast.

Davis' employees also work hard to avoid assembly-line-style service, by making patrons feel personally welcome and by responding promptly to any complaints. District managers routinely get out into the field and talk with patrons, and postage-free cards on each table invite customer comments on food quality, food quantity, service and cleanliness. Yochum reports that the several hundred cards returned each month help management maintain its standards.

But while cafeterias have much to offer patrons, they present a chronic problem to management: the continuing challenge of keeping food items on display looking fresh and attractive. Continuing attention to presentation is crucial, Yochum emphasizes, because what patrons see is what they'll get; and if what they see doesn't look appealing, it just won't sell.

Maintaining immaculately clean rest rooms is a critical factor in Davis' operations, too. Located at the very front of each cafeteria, so patrons won't have to walk through the restaurant in search of them, the rest rooms form the first impression of Davis' operations for many patrons.

Because of seasonal fluctuations in the tourist stream, Davis works hard to build local patronage. The operation employs an advertising agency to handle radio and newspaper ads and increases its advertising during seasonal slumps. It also uses holiday promotions to attract patrons, including an annual Christmas roast turkey dinner, complete with stuffing, that can be ordered to go. The special sells in the thousands every year.

Eating in a railway car . . .

In the northeastern United States roadside diners have a loyal following, although they are virtually nonexistent in other parts of the country.

The true diner, a modified railway car or reasonable facsimile thereof, is often a family-run business, attracting people as much for its personalized service as for its down-home style and nostalgic surroundings.

On Route 9 in Lake George, NY, Exit 21 off Interstate 87, is the Prospect Mountain Diner, owned by Art Leonard since 1968. Despite competition and heavy seasonal fluctuations, the diner is doing well. Leonard reports that during the busy summer season, roughly 75 percent of his patrons are vacationing families, many of whom come back year after year with children who have grown from babies into teenagers. A flattering article in *New York Magazine* hasn't hurt business, either.

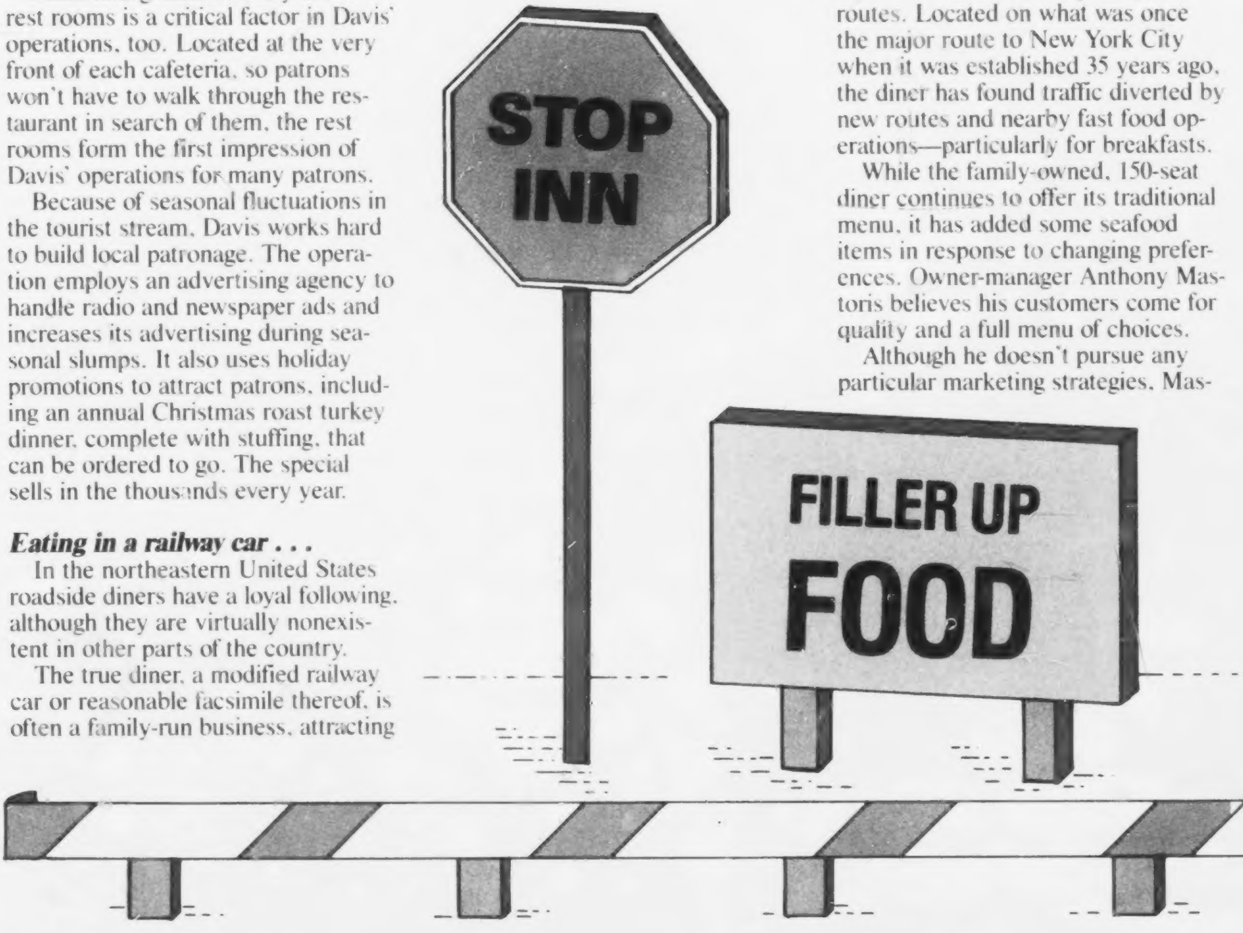
The diner's basic menu has changed little through the years, although soup and salad have been added in response to competition. But 14 years ago, Leonard took a gamble that has paid off. Believing that the summer crowd would welcome a Chinese restaurant in the area, Leonard added a Chinese restaurant to the diner during summer months. Leonard has been lucky enough to find a Chinese cook willing to take a job that lasts only five months of the year. (The chef works the balance of the year on Long Island, NY.)

Sharp seasonal swings can create labor problems. Leonard's staff falls from 45 people working the 24-hour-a-day summer schedule to around six people on a severely restricted winter schedule. But Leonard cultivates a loyal, stable staff by hiring local high school students, training them and retaining them over the summers as they go on through college. "We pay them well and treat them well," he says when asked to explain his retention success.

The Burlington Diner on Route 130 in Burlington, NJ, is a more conventional diner with a steadier, year-round clientele. Many a motorist in search of an alternative to turnpike food has found his way off Exit 5 of the New Jersey Turnpike to this establishment and the diner draws traffic from Interstate 295, too. But it has been hurt as well as helped by these routes. Located on what was once the major route to New York City when it was established 35 years ago, the diner has found traffic diverted by new routes and nearby fast food operations—particularly for breakfasts.

While the family-owned, 150-seat diner continues to offer its traditional menu, it has added some seafood items in response to changing preferences. Owner-manager Anthony Mastoris believes his customers come for quality and a full menu of choices.

Although he doesn't pursue any particular marketing strategies, Mas-



toris enjoys a welcome source of revenue from buses that bring shoppers to Burlington's discount clothing outlets, booking dinner reservations in advance.

Where trucks stop . . .

Despite general changes in the American diet in the direction of lighter meals, at two major truck stop plazas a continent away from each other it seems there has been little change in the diet of the patrons. The biggest selling items are high caloric, high starch, high fat foods served in large portions.

The Boron Stop 64 in Lamar, PA, greets truckers on one of the most heavily trafficked routes in the nation: the intersection of Route 64 with Interstate 80, which runs from New York City to Oakland, CA. Local patrons are a negligible factor at this I-80 outpost. During the summer, around 40 percent of the customers are truckers and 60 percent are tourists. During the winter, 80 percent are truckers and only 20 percent are tourists.

In addition to a 150-seat restaurant handling 30,000 transactions a month for sales of $85,000, the Boron Stop encompasses a gift shop, motel, garage for repairs, fuel pumps and parking for 150 trucks. Parking is a major attraction. For those truckers who sleep in the cabs, a safe, well-lit parking lot is a matter of some concern. Showering is important, too. The Boron Stop has just built six new showers and is adding another six.

According to General Manager Dominic Raco, price is a secondary concern for truckers. Their first concern is food. "It's got to be good, and there has to be lots of it," he says. Raco sells lots of breakfasts and lots of hamburgers. The tourists seem to enjoy the opportunity to sample genuine truck driver food. Particularly favored is a breakfast of sausage with gravy over biscuits.

Last year, the Boron Stop opened a deli in its restaurant that offers ready-made items to go, including sandwiches, barbecued ribs and half of a barbecued chicken as well as potato salad, baked beans, homemade pies with towering meringue toppings, cookies, sticky buns, ice cream and soda. Raco notes that the deli has brought in new business—perhaps as much as $7,000 a month.

Although the Boron Stop advertises over FM radio on country music stations, word-of-mouth advertising takes on a special meaning for truck stops, whose customers literally talk a restaurant up or down over CB radios.

Across the country in Santa Nella, CA, is the Mid-Cal Auto Truck Plaza. Here veteran truckers pull off Interstate 5—the major truck route from Canada to Mexico. A Union 76 truck stop established in 1973, Mid-Cal is one of the biggest and most successful in the western United States, with sales of more than one million dollars a year.

Mid-Cal has been likened to a miniature city, complete with a truck wash, fully-computerized fuel pumps, tire and auto mechanic stores, free showers, gift store, vending machines, video games, a check-cashing service and a motel.

Mid-Cal's 200-seat restaurant, which serves 2,000 persons a day, 24 hours a day, seven days a week, is second only to fuel as a source of income, according to Erie Jackson, Mid-Cal's manager since 1979.

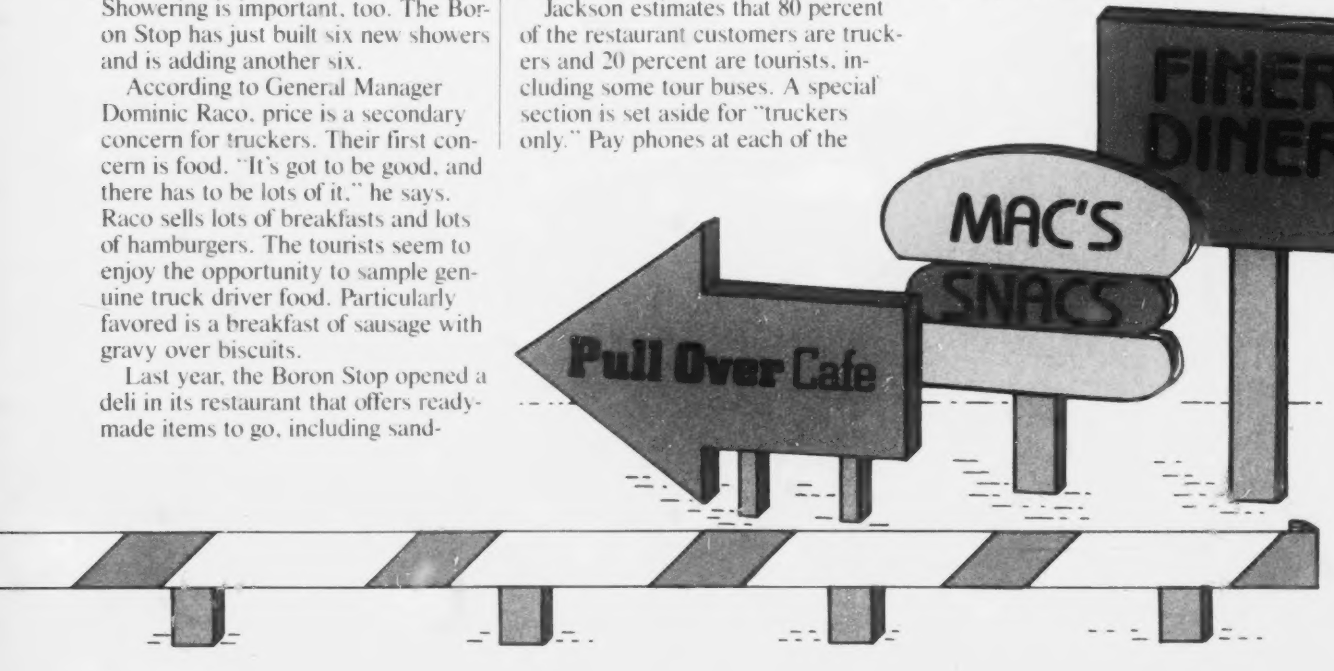
Jackson estimates that 80 percent of the restaurant customers are truckers and 20 percent are tourists, including some tour buses. A special section is set aside for "truckers only." Pay phones at each of the truckers' tables let them conduct their business during the meal. There are many repeat customers, says Jackson, attracted by the inexpensive but full-menu, fast service, good fresh coffee, cigarette vending machines and sociability.

As at the Boron Stop, dietary preferences run to "massive amounts of food" in traditional meat-and-potato style, with particularly heavy breakfasts and dinners. The menu features a number of popular Mexican items. The restaurant has a salad bar, but Jackson observes that truckers eat salad as an adjunct to huge meals, rather than as a light substitute. And if anything remains uneaten from their plates, it's likely to be vegetables. This preference for traditional fare makes the future safe for the truck stop menu, Jackson believes.

While the vast majority of Mid-Cal's patrons are transients, Mid-Cal has instituted a senior citizen night every second Saturday for seniors from a local mobile home park. More than 100 of these seniors attend regularly, bringing with them their own senior citizen band to play music from the 1920s and 1930s. Mid-Cal also offers a 10 percent discount to seniors during the week and a complete dinner for $4.75.

An upscale coffee shop . . .

In striking contrast to Mid-Cal is The Apricot Tree, a 250-seat venture



DETOUR FOR SLOW FOOD

They stopped the clock on purpose at the Brookville Hotel, where the menu hasn't changed since 1915. Located in Brookville, KS, fifteen miles from Salina with a population of 250, the hotel is just off old Route 40—once the main area highway. Now Interstate 70, seven miles distant, gets the lion's share of traffic, and the hotel feels the difference.

Still, business is good enough to support the fourth generation of owners, Connie and Mark Martin. Built in 1870 by the Kansas Pacific Railroad, the hotel has been in the same family since 1894. The building is an historic landmark and includes five separate dining rooms with decor ranging from country to Victorian.

Mark's grandmother, Helen Martin, brought the landmark hotel to fame during the 1930s, with her warm hospitality and family-style, pan-fried chicken dinners.

The hotel serves as the site for local wedding rehearsals and birthday and anniversary celebrations. But with a sparse local population that is highly sensitive to swings in the farm economy, the hotel relies principally upon out-of-area patrons for its profits.

To increase efficiency, the hotel restricts its hours of operation, opening for three hours Tuesday through Saturday evenings and all day Sundays. It closes on Mondays. On average, the hotel restaurant serves between 200 and 300 people on weekdays and between 500 and 600 people on Sundays for a total of 60,000 to 70,000 persons per year.

Getting and keeping good help is no problem for the Martins, who offer good wages, a pleasant setting, pleasant clientele and short shifts that end by 8:30 p.m. in an area where jobs are scarce.

Located near the center of Kansas, the hotel has become a favored meeting ground for families dispersed around the state. And it is enjoying a legacy from former Shilling Air Force Base, once located in Salina. Servicemen stationed at Shilling over the years patronized the Brookville Hotel and came to love it. When they dispersed all over the country, they recommended the hotel to family and friends travelling through Kansas and have come back themselves, bringing children and grandchildren.

The hotel is such an institution that many families plan their trips around a stop there. And when Connie and Mark Martin have worn their "Brookville Hotel" T-shirts on vacations in Florida and the Caribbean, they've been greeted by people who exclaim, "Oh! We've eaten there!"

Dinners at the Brookville Hotel are homestyle: a relish tray of spiced peaches and spiced apple rings, bread and butter pickles, carrot sticks and celery, Pennsylvania-style sweet and sour coleslaw made with whipping cream, cottage cheese blended with whipping cream, mashed potatoes with chicken gravy, whole kernel style corn, home-made baking powder biscuits with butter and strawberry preserves, half a pan-fried chicken, vanilla ice cream, and coffee, tea, or milk—served on linen table cloths with Blue Willow china.

Why has the menu remained the same over the years? "People want consistency," Connie Martin explains. "They come back for what they remember." What is remembered is good enough to have won the Brookville a write-up in *Good Food, The Adventurous Eater's Guide to Restaurants Serving America's Best Regional Food* by Jane and Michael Stern, published just last year. The Martins hope that the book will send new patrons.

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recently opened by Mid-Cal's owner Dave Buchanan. Forty miles south of Mid-Cal off Interstate 5 in Firebaugh, CA, it is halfway between San Francisco and Bakersfield in the rural San Joachin valley.

The Apricot Tree is passed by the same stream of travellers that pass Mid-Cal. But it draws a very different clientele, including tourists and some car-pooling executives who appreciate the attractive decor of exposed beams and stained glass and an imaginative menu that features freshness, attractive presentation and creativity. The ample parking lot accommodates two or three tour buses a week during the busy summer season. Three adjacent gas stations help draw patrons, too.

"People are looking for a little novelty," Manager Richard Birch states, observing that if one of his croissant sandwiches were served to a Mid-Cal trucker, the trucker "would throw it back at you and ask for a real sandwich." But at The Apricot Tree, croissant sandwiches sell well, along with pita sandwiches, chef salad on deep-fried tortilla shells, shrimp salad, taco salad and homemade, fresh fruit crepes. Mexican items sell well, too.

But the biggest contributors to The Apricot Tree's sales are the gourmet burgers laden with such items as mushrooms, Swiss cheese and onions. They pull in 25 percent of the receipts. Breakfasts are next, at 21 percent, with beverages third at 15 percent. And The Apricot Tree continues to sell a lot of dinner steaks and prime rib.

Most vegetables are freshly cooked, soups are prepared from scratch, and breakfasts are served with skewers of fruit. Birch sees dietary preferences changing and reports that The Apripcot Tree has shifted from white bread to wheatberry and whole grain.

"People are learning that what's good for you can taste good, too," he notes.

In addition, the restaurant develops its apricot theme with such desserts as apricot fizz, apricot freeze and apricot pie as well as apricot wine. Free samples of the wine are offered to patrons with lunch and dinner. While most travellers don't want to drink alcohol with their meals, they do buy apricot wine at the restaurant's flourishing gift shop, which grosses $40,000 to $60,000 a month during the summer. The shop also sells wine glasses bearing the restaurant's emblem, souvenirs, stuffed animals and novelty items that bear "higher than average price tags." The restaurant will soon be selling its own label apricot wine and plans to add a hot fudge machine and a take-out operation.

Most of The Apricot Tree's business comes from summer traffic. A summer staff of 130 works shifts from 6:30 a.m. to midnight, and waiting lines of 45 to 60 minutes are not uncommon. In the winter, trade is down 50 percent, staff is cut back to 45 to 50 persons, and the restaurant closes at 8:00 p.m.

A small, but steady, source of income is the patronage of 30 or so affluent, local farmers, who use The Apricot Tree as an office-away-from home, stopping in several times a day and sitting for hours together over lunch.

The restaurant's major problem is labor. Unlike Mid-Cal, a separate corporation with its own set of well-established employee policies and relations, The Apricot Tree is still developing its policies and labor pool. Birch reports difficulty in attracting and holding a stable staff, many of whom must drive 20 to 40 miles to get to work.

Bugs are a problem, too, which the restaurant combats aggressively. "You name it, we have it. We're part of the farmland," says Birch philosophically. "You just have to deal with it." Cricket infestations have been a particular menace, and Birch recalls patrons once wondering if cricket songs were being piped in along with Muzak to contribute to the bucolic atmosphere.

Alligator meat and Cajun specials . . .

Even more upscale than The Apricot Tree is Dingus McGee, which views itself primarily as a local restaurant that happens to be on a major highway. Dingus McGee is located in Colfax, CA, off Interstate 80 between San Francisco and Lake Tahoe—2,000 feet from the foot of the Sierra Nevada mountains. Tucked into a hillside near the interstate overpass, it suffers from poor visibility and relies upon billboards to help call attention to itself.

But Dingus McGee has a lot more going for it than billboards. A fine dining establishment with sales of $1.6 million a year and 10,000 transactions a month, it is serving innovative American cuisine that has drawn patrons and won media attention from far away.

Most recently, management sent its chef to New Orleans to study Cajun and Creole cooking under famed chef Paul Prudhomme at K-Paul's. It then proceeded to introduce Cajun food to northern California, relying upon fresh seafood and other provisions flown in weekly from New Orleans. It now enjoys the distinction of serving more alligator than any restaurant in the world—a distinction that is not a secret thanks to a marketing consultant the restaurant hired to help promote its Cajun specials. Media coverage from UPI, the *Los Angeles Times* as well as radio and TV shows is helping build clientele.

Traveller preferences support a broad range of foodservice alternatives

The restaurant's changing menu reflects the national trend away from red meat toward seafood and fresh produce. And it reflects the national weakness for heavy desserts, particularly chocolate.

Co-owners Robert Townsend and Dennis Freidig began Dingus McGee 10 years ago on the site of a former bus stop, with no previous restaurant experience. They believe that success begins with good food, high quality, and strong management; but that beyond these factors, it is marketing that makes the difference.

At Dingus McGee, marketing begins with the old adage, "Stay close to the customer." All customers are invited to complete a questionnaire, and Townsend and Freidig use the results to modify and develop their operations. Because the survey is written humorously and offers a reward, the response rate is high: 1,500 to 2,000 questionnaires are dropped into collection boxes at the restaurant exit each month.

The surveys have helped identify the restaurant customer. Because more than 60 percent of all patrons come from within 20 miles and 85 percent come from within 40 miles, Dingus McGee has asked customers to indicate whether they want to be included on a mailing list. Those who say "yes" are sent a follow-up card offering an incentive for them to return within a three-month period. The 300 to 400 people who return are then sent a third card, which offers another incentive to come back. Of this number, perhaps 200 return. Incentives include such items as free wine, discounts on desserts and free samples of Cajun cooking, including alligator meat. These promotions have generated as much as 10 percent of the restaurant's sales as well as a mailing list of 30,000 names, which may soon be computerized.

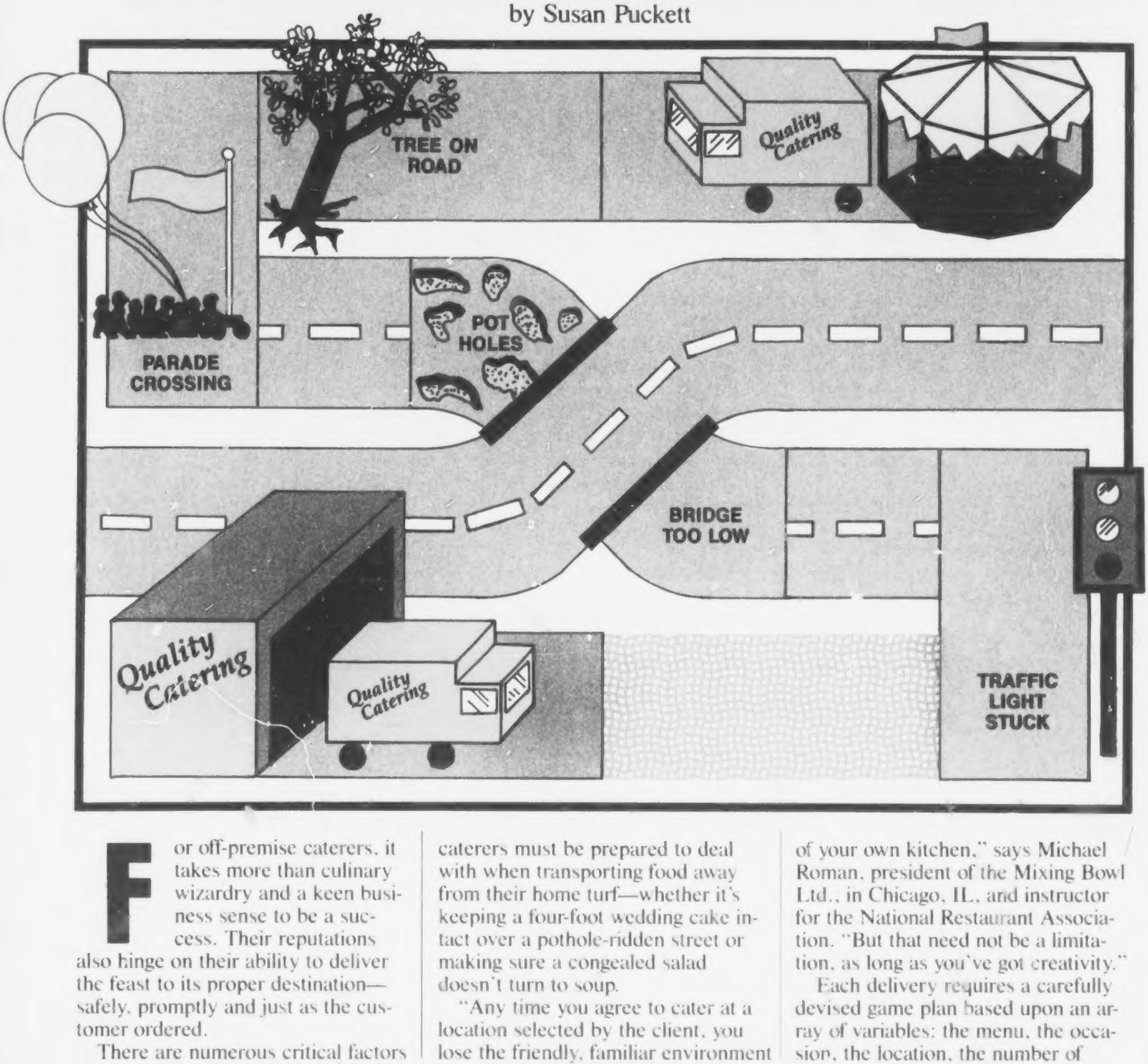
People travelling to gamble in Reno and to ski in Tahoe will call from the San Francisco Bay area in advance for reservations at Dingus McGee, which two years ago was voted the best restaurant in the Sacramento area. And many of these patrons are repeat customers, who plan their trips to include a stop at the restaurant. The owners have even considered installing a toll-free 800 number to handle long-distance reservations.

Dingus McGee serves brunch, lunch and dinner in its 150-seat restaurant. It also has an oyster bar; a 60-seat patio, where patrons can enjoy appetizers; a 150-person bar with a TV screen and an extensive children's menu. There is also a special menu for senior citizens that offers smaller portions and a 10 percent discount.

While Townsend and Freidig are working aggressively to expand their clientele, they stress the importance of strong local support—not least to maintain stable staffing levels. Their high percentage of area patrons keeps seasonal swings small. The owners invest heavily in staff training and maintain high performance standards. As the largest employer and taxpayer in tiny Colfax and with few other jobs available locally, Dingus McGee finds little difficulty attracting and holding a staff of 60 in the scenically beautiful setting. ❑

HOW TO DELIVER THE CATERED FEAST INTACT

by Susan Puckett


TREE ON ROAD
Quality Catering
POT HOLES
PARADE CROSSING
BRIDGE TOO LOW
Quality Catering
Quality Catering
TRAFFIC LIGHT STUCK

For off-premise caterers, it takes more than culinary wizardry and a keen business sense to be a success. Their reputations also hinge on their ability to deliver the feast to its proper destination—safely, promptly and just as the customer ordered.

There are numerous critical factors caterers must be prepared to deal with when transporting food away from their home turf—whether it's keeping a four-foot wedding cake intact over a pothole-ridden street or making sure a congealed salad doesn't turn to soup.

"Any time you agree to cater at a location selected by the client, you lose the friendly, familiar environment of your own kitchen," says Michael Roman, president of the Mixing Bowl Ltd., in Chicago, IL, and instructor for the National Restaurant Association. "But that need not be a limitation, as long as you've got creativity."

Each delivery requires a carefully devised game plan based upon an array of variables: the menu, the occasion, the location, the number of guests, the available facilities and even the weather forecast. Attention to such matters will enable a caterer to better budget his time, organize his materials and determine the amount of prep work that should be done in his own kitchen.

Top priority: the right vehicles . . .

First and foremost, Roman says, a caterer must be equipped with a proper vehicle. Even though some try to make do with a station wagon loaded with a couple of ice chests, refrigerated trucks are ideal and, in some municipalities, are required.

Some caterers have their trucks or vans installed with convection ovens and portable cooking units so they can prepare as much food as possible on the premises. Others have them custom-built with entire kitchen facilities. One such manufacturer of deluxe mobile food equipment is Custom Sales and Service, Inc., in Hammonton, NJ. According to Sales Manager Larry O. Cabrol, caterers may order custom-built trucks complete with grills, deep-fat fryers with grease outlets and vents, pizza ovens, deep freezers and even kitchen counters and sinks with hot and cold running water. Companies also manufacture delivery trucks with separate refrigerated and heated units for transporting both hot and cold food.

Although large catering operations often own an entire fleet of delivery vehicles, smaller outfits may get by easily with only one vehicle and rent extra trucks, vans or station wagons for larger jobs. Paul Krupnick, co-owner of Dorothy H. Krupnick Gourmet Catering, Inc., in New York City, has occasionally startled guests by arriving at a function in a Greyhound bus. "The luggage compartment is ideal for carrying large quantities of food," he says. "And the staff and equipment can ride above. That way, we can make our entire delivery in one shot, without having to rent a lot of extra vehicles."

No matter what form of transportation a caterer chooses, however, the storage space for food should be windowless and adequately air conditioned. Keeping foods within a safe temperature range to prevent any chance of contamination should be a top priority at all times, including when it's being transported.

Foods to be served cold should be pre-chilled to 45°F or lower. They should be chilled rapidly, either by setting them on ice or placing them in shallow containers that are then immersed in cold water. Large quantities of cooked foods should be separated into smaller containers to facilitate rapid cooling.

Hot foods, on the other hand, should remain above 140°F during holding and storing. Pork requires 150°F, and poultry requires 165°F. Many caterers use Cambro hot pan carriers—stackable units used by the Meals-on-Wheels program—for keeping foods warm.

Well-insulated coolers or portable cabinets, constructed of styrofoam, polyethylene plastic, metal or wood can be effective for keeping foods hot or cold. Cold foods, may be packed with wet ice, dry ice or gel-type freezer packs for extra coldness.

Some foods travel better than others . . .

Some foods travel better than others, depending on how they are prepared. "Foods nestled together will stay warmer than those that aren't," Michael Roman advises. "It's much easier to maintain the temperature of a solid mass of food, such as spinach and mushroom casserole, than cooked whole baby carrots, which would allow air to circulate around them and cool them off."

Larger meats are less likely to dry out than individual cuts. It would be much better, for example, to take a whole beef tenderloin and slice it at the site than to transport individual filet mignons. Sauces also help keep foods moist.

"The menu has to be designed so that it can be transported," agrees D. Allen Wint, owner of D. Allen Wint's Tower Catering and Restaurant in Ardmore, OK. "You couldn't prepare eggs benedict and expect to haul them 200 miles."

Nevertheless, Wint and his full-time catering director Charles Enterline have successfully pulled off other seemingly impossible long-distance culinary feats.

For a luau in Denver, Wint baked four 60-pound halibuts and roasted a suckling pig, which were then quick-frozen and packed in styrofoam boxes with dry ice. A truck delivered them to the site several days in advance so that they would have ample time to thaw.

On another occasion, Wint treated New Hampshire clients and their guests to an authentic, Oklahoma-style barbecue. Barbecued briskets, ribs and smoked sausages were quick-frozen and delivered to the site by truck, along with a few novelty items sure to generate a few ooh's and aah's: a whole rattlesnake and "calf fries." Wint contacted a local New Hampshire caterer to supply a few of the trimmings that couldn't be frozen, such as cole slaw and kidney beans. He adds, however, that "I always cook in my own kitchen the things I do really well, like my barbecue."

Protection for fragile foods . . .

Finding ways to transport fragile foods is a dilemma for every caterer; but Jay Treadwell, general manager of Ridgewell's Caterer in Bethesda, MD, has devised some handy solutions. To retain the shape of delicate French pastries, Ridgewell's inserts toothpicks before wrapping them in plastic and placing them in heavy-gauge cardboard boxes.

Ann LeBuffe, catering director for Ann Howard Cookery in Farmington, CT, provides extra protection for her wedding cakes by packaging each tier in a separate cardboard box and transporting them separately in a station wagon under the watchful eye of a staff person.

To prevent leaks of salad dressing or sauces, Paul Krupnick has a policy of wrapping every container individually in a plastic bag and securing it tightly. "That way, if a lid should pop off, all we have to do is scoop it back into the container without it spilling on anything else."

Even experienced caterers get a case of the butterfingers now and then and, for that reason, many try to avoid glass containers. Aluminum pans, plastic tubs and styrofoam containers all work well.

For packing china, silver, coffee urns and various utility items, Krupnick has found that fiber-filled boxes used for packing movie equipment and lights are ideal. Not only are they durable, he says, they're lightweight as well—a big plus when it comes to loading and unloading the delivery vehicle.

The arrangement of boxes inside the vehicle is also important. "Generally, we try to see to it that

Tips for transporting foods from one site to another

1. Use vehicles that provide ample storage space, are adequately air-conditioned and comply with the regulations of your municipality.
2. Package food and equipment in non-breakable, lightweight containers.
3. Design your menu for transportation. Don't include items that may perish or deteriorate on the way.
4. Load your vehicle intelligently. Keep packages from shifting by setting them on non-slippery surfaces, padding them with cloth or paper or strapping them down.
5. Keep foods within a safe temperature range to avoid contamination by packing them in well-insulated coolers and portable cabinets.
6. Supply all helpers with worksheets that outline their duties and responsibilities and provide detailed check-lists. Circle each item as it is loaded onto the vehicle. Provide extras for everything.
7. Become familiar with facilities you will have access to at the catering location. Make a list of all equipment and supplies you will need to provide.
8. Contact reliable rental services which can deliver directly to the site any accoutrements you may not be able to furnish yourself.
9. Allow plenty of time for travel, loading, unloading and setting up. Make allowances for heavy traffic, poor road conditions and so forth. Give drivers explicit directions as well as phone numbers of the clients and anyone else they may need to reach.
10. Always have an extra vehicle on hand. Make sure the driver is equipped with cash and credit cards to handle emergencies.

whatever should come out of the truck first once we get there goes on last," Krupnick says, "although that isn't always possible."

To keep boxes from bumping into one another, slippery surfaces should be avoided. Old rugs, towels and crumpled paper may be used for padding, and some packages should actually be strapped down.

A few caterers ease the burden of delivery by hiring rental companies to furnish and transport serving items or other accessories. Todd Carter, director of catering at Westin's St. Francis Hotel in San Francisco, CA, employs a professional mover to load and deliver his culinary masterpieces. These assignments have included a lobster terrine with golden caviar and a roast loin of pork, stuffed with morel mushroom mousse, prepared for a state dinner attended by Queen Elizabeth II.

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A backup plan for crises . . .

No matter how well organized you are, however, there's no safeguard against all crises—a fact most caterers are reminded of time and again. For that reason, it's always wise to have some sort of backup plan.

"I couldn't succeed without good help," says Mildred Brown, owner of VIP Catering in Jackson, MS. She always makes sure someone follows her to each job in case of car trouble along the way. The helper parks the car in front of the catering site throughout the event, should Brown suddenly need an errand run.

"I was once hired to cater a party for 1,200, and 3,200 people showed up," she recalls. She sent her driver back to her restaurant, Mildred's Tea Room, to bring back any food items that could be used. He returned with an eggplant casserole, which was transformed into a dip, and quiches, which were cut in bite-sized pieces for appetizers.

Bad weather can also force a caterer to make a quick menu change. "For a dinner party, I had planned to do a baked Alaska for dessert," Brown notes. "But the day I was supposed to deliver it, it poured down rain and the humidity was just terrible. So I packed up the ice cream in dry ice and served it with cherries jubilee instead."

To every catering site, Brown always takes an emergency kit, packed with cream cheese, sandwich spreads, cans of soup and other useful ingredients—should the food supply run short. "And I always carry extra cocktail napkins and clear plastic drinking glasses in my car to cover myself, if necessary."

Jay Treadwell is also a firm believer in preparing for the unexpected. Standby trucks are always ready to jump into action, and all of his drivers are equipped with contact beepers should they need to call for assistance.

One such time was when a food truck carrying multiple deliveries was unable to get to one of the catering sites because it was too tall to pass under a low bridge.

"The truck barely made it under the bridge for the first delivery, which was also the largest," he recalls. "But after it was unloaded, the back raised up a few inches. In order for the truck to get to the next site, another truck had to be sent to load it down with weights until it was low enough to fit back under the bridge."

When traveling longer distances in particular, D. Allen Wint allows extra traveling time and sends his drivers with "plenty of cash and credit cards."

On the way to a four-day horse sale, the truck carrying the food and beverages broke down—and had to be hauled 60 miles by a wrecker. Though the towing charge was astronomical, everything arrived on the site in time to make the event a success.

"When you're in the catering business, you have to be prepared to do whatever has to be done to satisfy your client," says Wint. ❑

What restaurant owners should know about wage and hour negotiations with the government

Prepared for the NRA Law Department
by Robert W. Hartland, Esq.
Reed, Smith, Shaw & McClay, Pittsburgh, PA

For many restaurant owners, their first experience with the United States Department of Labor, Wage and Hour Division is when the compliance officer (CO) calls at the restaurant to uncover possible violations of the Fair Labor Standards Act (FLSA).

Frequently, the employer assumes that the CO is objective—he just has a job to do. And this perception is nurtured by the CO's initial polite attitude and demeanor. The fact of the matter is that the CO is not unbiased. He is there for the very purpose of subjecting your operations to investigation. He is paid to do that. He is not paid to return empty handed.

Therefore, no matter what he tells you, or how he appears at first meeting, he is your antagonist in this process. You should never lose sight of that fact.

Don't rely on the CO's statement of the facts

The facts as represented by the CO may or may not be accurate. But one thing is certain—the facts are not accurate simply because the CO represents them to be so or because the CO says they are supported by interview statements he has taken. The employer should conduct his own evaluation.

In the vast majority of cases, all of the CO's conclusions of illegality and monetary demands are based upon interviews the CO conducts with current and/or past employees. The CO will tell the employer that he has many signed statements supporting all the conclusions reached by him and supporting his demand for back wages. If the restaurant owner does not actually know what the facts are—i.e., whether employees are performing any off-the-clock work—he may be inclined to accept the CO's version.

Official government policy prevents the CO from telling the employer whether the investigation was prompted by a charge filed by an employee or whether the investigation was merely conducted "at random." Also, the CO will not reveal the statements nor the identity of the statement givers.

The courts have been extraordinarily protective of the Wage and Hour Division's investigations. Through a doctrine called "informer's privilege," the government is able to withhold the identity of the statement givers. Labor counsel representing employers, however, should be able to obtain copies of the substantive portions of the statements with the identity of the statement giver deleted.

Anyone who has had occasion to review these statements knows they are often inaccurate and exaggerated. Because the CO is transcribing the statements to support his conclusions, quite frequently adjectives and adverbs are very loosely used and comments reflecting the absence of liability often are not recorded by the CO. Even when statements are signed as accurate, people frequently sign these statements with very little careful review of what the CO actually wrote down. In addition, of course, the statement giver may be influenced by the prospect of back pay.

Don't rely upon the CO's statement of the law

Another common failing of restaurant owners or managers when faced with wage and hour demands from the government is to assume that the government agent is accurately stating the employer's obligations.

This is a mistake. First, the CO is not a lawyer. Moreover, as in any other job classification, the quality, knowledge and experience of COs vary considerably. In addition, certain wage and hour questions are, legally, quite complex, and the CO frequently will have no idea of the law regarding certain issues.

Beyond this, however, even in cases where the CO knows the law, the CO frequently does not feel obligated to explain it to the employer. A perfect example of this is reflected in the government's approach to the initiation of a restaurant investigation. Most legal commentators would agree that a compliance officer of the Wage and Hour Division of the Department of Labor cannot forcibly enter business premises to review a restaurant's records or interview employees without first obtaining a search warrant.

Indeed, the Department of Labor, when forced to announce its policy regarding investigative powers in litigated cases, has stated that its COs will not attempt to enter a business over an employer's objection, but rather will merely subpoena the production of company records and conduct interviews—both off the employer's premises.

Notwithstanding this official posture, the fact is that when a compliance officer appears at a restaurant unannounced or calls an employer, the CO does not explain the employer's rights in connection with this investigation. Invariably, the CO only informs the employer that an investigation will be conducted on the employer's premises and will involve record review and interviews of employees. The only issue over which there is any discussion is when to commence the investigation.

The message should be quite clear. Do not rely upon the accuracy of any compliance officer's or other government agent's statement of your legal obligations under the FLSA. The government's position may be right; it may also be wrong. Consult a competent management labor relations attorney if you have any question.

Do not pay money you are not required to pay

From this point forward, we will assume that the CO has uncovered certain FLSA violations in your restaurant and you have confirmed that violations in fact occurred. For example, let's assume that for each server a restaurant was deducting one-half hour's pay per shift for a break that, in fact, the servers were not taking. Instead, the servers were working straight through the break. For each server, then, for each shift, there is one-half hour of uncompensated time. Let's assume further that the CO has computed the restaurant's back pay liability as follows:

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a) uncompensated time
20 servers per day X one shift per day = 20 shifts per day
20 shifts per day X seven days a week = 140 shifts per week
140 shifts per week X ½ hour per shift = 70 hours per week
70 hours per week X $3.35 per hour = $234.50 per week
$234.50 per week X 52 weeks = $12,194 per year
$12,194 per year X 2 years = $24,388

The compliance officer tells the restaurateur that, if he is smart, he will pay the $24,388 and be glad he is getting off "easy." He will claim that he could go back three years to compute the liability rather than two years and that he could add interest. He may also claim that the law provides for double damages in the form of liquidated damages. If you find yourself faced with such a situation, what should you do?

1. Immediately change the offending policy

After consulting management labor relations counsel, the first step you should take to begin reducing your liability is to immediately alter or amend the violative policy.

How does such an action reduce your potential liability? The Fair Labor Standards Act provides for a basic back pay liability period of two years. This time frame can be extended to three years in case of "willful violations." The law provides, however, that one measures the two-year or three-year period from the date the government files a complaint against the employer in federal court.

A restaurant operator should keep in mind that the government is an enormous bureaucracy that moves quite slowly. When the CO first talks to the employer about violations he has uncovered, the government is a long way from initiating any lawsuit based on those violations. Indeed, frequently six months, a year or even more time passes before any complaint is filed. Of course, once the restaurant has eliminated the offending policy, every day that passes reduces the total monetary obligation owed. Aware of the degree to which the passage of time can eat away at back wage claims, at some point the government usually requests that the employer sign a waiver of the statute of limitations. If this is signed by the employer, the employer loses the benefits resulting from the passage of time. Such waivers should certainly never be signed before consulting counsel.

2. Assess possible offsets

The next step is for the employer to investigate whether there are any offsets or credits against back wage computations compiled by the government.

For example, certain states, such as New York, Washington, D.C. and Connecticut, have minimum wages in excess of the federal minimum wage. In addition, certain states, such as New York, Connecticut, Michigan, Oregon, Rhode Island and so forth, have enacted statutes that are more stringent, in terms of available tip credit than is the federal law. For example, New York permits a maximum tip credit of $1.05 whereas federal law permits a tip credit of $1.34. Beyond this, certain states impose uniform maintenance obligations more costly than federal requirements.

All such statutes can mean that the employer is actually paying cash wages significantly in excess of the federal minimum cash wage requirement ($2.01 per hour). Such excesses can create a fund to offset any FLSA violations.

3. Do not be bullied by concepts

Three issues that frequently surface in FLSA negotiations between employers and the Wage and Hour Division enforcers are: 1) the FLSA limitations period, 2) liquidated damages and 3) interest. The restaurant owner should understand enough about these concepts not to be unnecessarily threatened.

a. The limitations period

As noted earlier, the basic FLSA limitations period is two years. This means that the employer can be held accountable, in back pay, for violations dating back two years from the date an FLSA complaint is filed in federal court. This basic two-year period can be extended, however, to three years in cases of willful violations. The government generally has a very minimal burden to meet to establish willfulness. The majority of the courts have concluded that there is a "willful" violation of the FLSA if the employer knew or had reason to know that his conduct was governed by the Federal Labor Standards Act.

Nevertheless, the fact is that in negotiations the government will not ordinarily press for a three-year liability period. While government representatives may allude to the three-year period, the employer should recognize that, generally speaking, the government expects to settle cases on a two-year theory. Generally, the only cases in which the government strongly negotiates for a three-year liability period are cases of repeat violations or cases where, due to government delays in processing, the government could collect little or nothing in back pay if it does not press for the three-year liability period.

In addition, there are various legal restraints on the government's ability to obtain an additional year's worth of liability under a "willful violation" theory. For example, the courts have held that in situations where a compliance officer of the Wage and Hour Division investigated the restaurant on a prior occasion and found no violations regarding a specific policy, the government cannot later claim that violation of that same policy constituted a willful act.

b. Liquidated damages

As noted earlier, negotiation representatives of the Wage and Hour Division often will attempt to pressure the employer for a full back pay settlement by threatening the employer with the prospect of double damages if a court suit is required. It is important that the employer understand what liquidated damages are under the FLSA.

First, it is true that certain sections of the Federal Labor Standards Act provide for an award of liquidated damages. In essence, the FLSA vests in the judge discretion to award liquidated damages of any amount up to, but not to exceed, the amount of back wages found due in the court suit. There are, however, a number of limitations or restrictions upon the government's liquidated damage arguments.

- There is no automatic doubling of back pay. As noted above, liquidated damages, if awarded at all, can be awarded in any amount up to a maximum of the amount of back wages found due.
- If the employer can demonstrate "good faith and reasonable grounds" for believing that he committed no FLSA violations, no liquidated damages should be awarded at all.
- While perhaps obvious, it must be remembered that the maximum amount of liquidated damages recoverable is necessarily limited by the amount of back wages the government can prove to be due and owing. Simply remember that while the prospect of liquidated damages is real and something that should be assessed, the amount of *provable* back wage claims always sets the limit for the potential additional liability.
- The FLSA liquidated damage provision was never intended to be punitive in nature. The sole purpose of FLSA's liquidated damage provision was to compensate employees for the delay in their receipt of wages due. As such, the courts should never award an amount in liquidated damages in excess of the amount that reasonably could have been earned by the back wages since the time the back wages were due. This amount may be significantly less than the amount produced by doubling back wages due.

Finally, while the potential for a liquidated damage award is real and cannot be discounted, it is the author's experience that in cases of negotiated settlements the government actually does not expect to receive any additional compensation because of the potential claim for liquidated damages.

c. Interest

If a case is ultimately litigated by the government and back wages are found due and owing, interest on back pay awards is quite frequently awarded. But if interest is awarded, liquidated damages should not be awarded; it is one or the other. As in the case of liquidated damages, the employer should not increase any settlement offer to account for any interest claim.

Assessing a proper settlement figure

In any settlement negotiation the government obviously does not expect the employer to pay the entire maximum potential back wage claims. Specifically, as noted earlier, the government's interview statements are often exaggerated, and, due to the passage of time, frequently witnesses cannot be located. Even when potential witnesses can be located, they often do not want to get involved. This is particularly true in the restaurant industry where tipped employees are especially reluctant to testify since they realize that they may be subject to cross-examination regarding their own tip declarations.

In short, the government recognizes that it faces its own problems of proof if the case does not settle and has to be tried. Thus the employer should tell the government negotiators that, if the matter went to trial, the employer would insist that each employee, on behalf of whom the government claims back wages, would be forced to be present and testify at the trial.

Too often, the government has gotten away in litigation with having only a few employees testify and suggesting to the court that such testimony applies to all employees. Such a "sample" methodology should be permitted only in limited circumstances involving an attack upon a prevailing policy that would affect all employees identically. If no such general practice is involved and at issue is, for example, whether certain employees worked off the clock and, if so, how much; then the government's "sample" methodology has limited value. Any inference which might be drawn from the testimony of the government's "sample" witnesses can be rebutted by the employer presenting testimony of an equal number of employees who did not work off the clock. The inference, thus rebutted, leaves the government in the position of having to bring into court to testify each person on behalf of whom the government seeks back pay. The government generally will be reluctant to engage in such an investment of time and resources—especially if the potential back pay claims—per employee—are not great.

Beyond this, the legal issues will not be clear cut.

In short, in negotiations the employer should focus solely upon the back wage claims, less applicable credits or offsets and without any provision for interest or liquidated damages.

Miscellaneous settlement principles

Once a figure has been reached which is acceptable to the employer and to the government, the employer should:

- Request that the agreed-to back wage payments be made in installments paid over time. The government negotiators tend to be quite flexible regarding installment payments. Payments spread over two or three years obviously can lessen the financial burden to the employer.
- During pre-litigation settlement negotiations, do not agree that when an ex-employee cannot be located his or her unpaid back wages will automatically be placed in the United States Treasury. The government usually will insist upon such a provision once a lawsuit has been filed but usually will not insist upon it in pre-litigation negotiated settlements. If an agreement can be reached prior to litigation, such a provision could save the employer a significant amount of money.
- Do not agree to any "consent judgment" unless absolutely essential. This issue should only present itself in post-litigation settlement negotiations.

Competent management labor relations counsel can advise regarding whether a settlement is possible without entry of a consent judgment. The position of government lawyers on the issue seems to vary from regional office to regional office. All regional offices will settle certain post-litigation cases without consent judgments and with only a "stipulation of compliance."

The primary risk in signing a consent judgment is that many courts would hold that by doing so the employer has waived the FLSA two year/three-year limitations period for subsequent violations. If the government subsequently uncovered any violations, the government could seek a finding of contempt and an award of back wages over the entire period of time that violations occurred unlimited by the FLSA limitations period.

Conclusion

The Fair Labor Standards Act appears very straightforward in certain of its major provisions, but it is actually quite complex. Some provisions are not only mysterious to restaurant owners who must comply with the law but also are equally foreign to many lawyers who do not specialize in labor law. This article was intended to provide some of the most important principles that the restaurant owner should know about when faced with government FLSA demands. In no fashion is it intended as a substitute for competent management labor relations counsel. ❑

Editor's note: The opinions expressed in the article are those of the author and do not necessarily reflect NRA views.

If you have any questions about this article or are seeking other foodservice-related legal information contact the NRA Law Department in Washington, DC.

Fisher's Law #52

The Corporate Culture

Recently there has been growing interest in, and attention to, a business management concept known as the "corporate culture." As business organizations grow, mature and become recognized as social institutions as well as economic institutions, it becomes worthwhile to examine the philosophical underpinnings and codes of conduct that vest a business enterprise with its identity and image. (Identity is what you think of yourself; image is what others perceive you to be.)

> ***"A corporate culture personifies and personalizes a business entity. It offers feeling, caring, emotion, enthusiasm, passion. Cultivate a corporate culture!"***

What is culture? There are many definitions, but I suggest that a "culture is the system of accepted belief and behavioral patterns characteristic of a group of people bound together by a common interest and/or in pursuit of a common goal that reflect the enshrined values and the stage of advancement of the group at any given point in time." Infants are born into a social culture; employees are welcomed into an organizational culture.

Sub-cultures are smaller, specialized components of the larger culture. In society, singles and senior citizens are two examples of sub-cultures. In organizations, "those accountants" and "those sales types" may well be representative of sub-cultures.

There are also counter-cultures, i.e., groups of people who reject or disregard the larger culture that surrounds them. The "underground economy" is one such example.

Current management research and conventional business wisdom indicate that organizations that have a stated culture, integrate it through all levels and throughout all areas of the company, as opposed to giving it lip service, tend to be more successful, across every measure, than firms that are devoid of a stated culture or regard it only as a "piece of paper."

If you think I'm headed toward recommending the structuring and thorough dissemination of a "culture" for your organization if one does not already exist, you are correct. While I would not presume to do it for you, I can give you an example, a model.

Here it is. As you can see, it doesn't need to be elaborate. Insert the name of your organization at the beginning of each step.

"1. ________________ was founded on the belief in, and is dedicated to enhancing, the dignity of the individual as expressed through meaningful work devoted to the service of others.

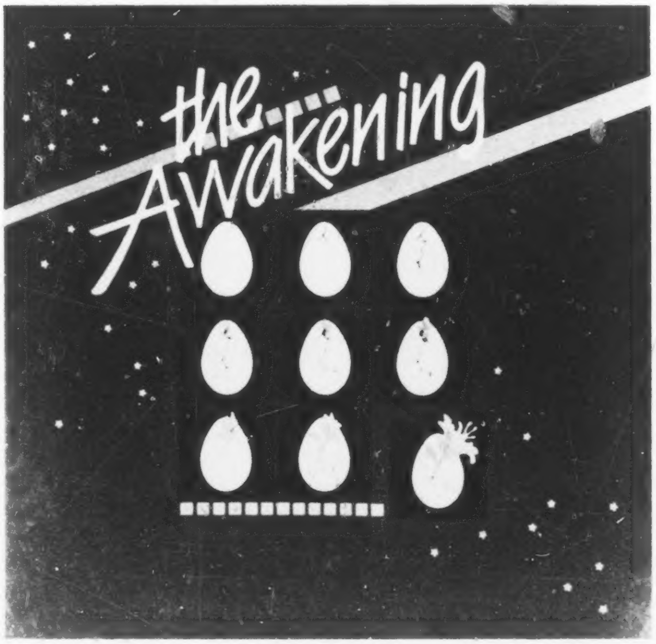
2. ________________ believes in establishing and maintaining relationships with customers, employees, purveyors and all other members of the public, predicated on the highest standards of integrity, professionalism and fairness.

3. ________________ believes in the provision of quality products, services, performance and responsiveness.

4. ________________ believes in conducting business activities on a profitable basis to allow for growth of the enterprise, growth of our employees and increased patronage, as well as recognition and respect by the public as a responsible corporate citizen interested in and contributing to the welfare of the community."

I am sure you can add to, delete from or revise the foregoing example, but the purpose is to suggest how you can adopt a corporate culture statement. Such a statement should be the essence of your corporate existence. It should permeate your organization, serving as the value framework within which decisions are made. It should be inculcated in all your employees to give significance to their responsibilities, so that they exude an enthusiasm with customers and with each other for the mutual benefit of every person within the organizational orbit. As Fisher's 52nd law states: "A corporate culture personifies and personalizes a business entity. It offers feeling, caring, emotion, enthusiasm, passion. Cultivate a corporate culture!"

WINNERS
in the
1984 Great Menu Contest



The grand prize winner in the 21st annual Great Menu Contest is the breakfast menu from Raffles (Creative Restaurants, Inc. in Miami, FL). Appropriately called The Awakening, the outside of the menu creates a feeling of anticipation. Printed on laminated paper with a royal blue background and white lettering, there are nine pictures of an egg progressively hatching—not a chicken—but a flower. The visual effect is one of pleasant expectation and surprise.

Inside, primary colors of red, blue and green on an eye-soothing gray merchandise breakfast offerings of omelets, benedicts, quiche, crepes, breakfast favorites, side dishes, desserts and beverages and a selection of specials. The menu is easy-to-read, and the descriptions are informative but not overly verbose.

For example, under the benedicts, the "Sardou" is described as "poached eggs with artichoke hearts and creamed spinach." In like manner, the "chicken salad croissant" is described as "a sandwich of freshly cooked chicken, raisins and walnuts, garnished with fresh fruit."

Overall, the judges were impressed by The Awakening's clean, easy-to-read attractiveness, its simple sophistication and its ability to carry out its theme.

The seven judges in the Great Menu Contest evaluated the entries on the basis of imagination, design and merchandising power. They agreed that the menu should sell food effectively, represent the restaurant to its best advantage and favorably impress patrons.

A menu must also appeal to its audience. That is why the second grand prize was awarded to the Market Cafe Restaurant at the Westin Hotel in Seattle, WA, for its children's menu.

Children's menu gets second grand prize . . .

Printed in black ink on a white paper bag, one side shows a drawing of a mother and child walking past a fruit and vegetable stand with a sign overhead that says, " Color me at the market."

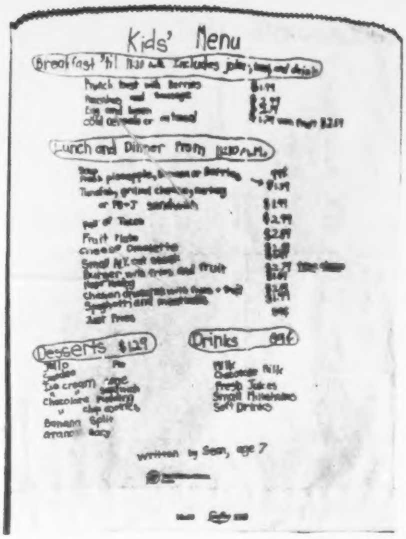
On the other side of the bag, in a child's handwriting is the menu, listing breakfast, lunch, dinner, dessert and drink items. But for a child, the best part of this menu might be inside the bag. Here the young diner will find two balloons, crayons and an artist's smock—which can double as a bib without being too obvious.

"This menu accomplished exactly what it wanted to. It showed great imagination, and it is practical, attractive and entertaining," said John Rosson, one of the contest judges. A second judge, Steve Kraft, added that wonderful visual restraint was exercised by the menu. "If the drawing were colored in, it would be more attractive but less practical. By giving the children crayons, you make them happy and keep them occupied at the same time."

Hospital menu says, "We care about you" . . .

Although a hospital may have a captive clientele, the menu can still be an award-winning effort as demonstrated by the Presbyterian Intercommunity Hospital in Whittier, CA. This 16-page menu with line drawings took the third grand prize in this year's Great Menu Contest. The easy-to-handle horizontal format tempts even the weakest of appetites with delicious sounding selections. For example, for lunch one can choose "honey glazed Cornish game hen" described as "one half of a plump juicy hen gently painted with a special coating of our honey glaze. Baked slowly to keep in all the moisture and roasted to a golden brown" or BBQ short ribs "gently simmered . . . like you've cooked them outdoors" or "blue Pacific seafood salad plate" described as "a mixture of the sparkling blue Pacific waters catch heaped in a generous mountain, tossed gently in our own tasty seafood dressing."

BEST AVAILABLE COPY


Kids' Menu

Breakfast 'til 11:30 a.m.

French toast with berries

Lunch and Dinner from 11:30 a.m.

Fruit Plate

Desserts $1.29

Drinks

Ice cream

Chocolate Pudding

Banana Split

Milk

Chocolate Milk

Fresh Juices

Small Milkshake

Soft Drinks

written by Sam, age 7

The menu includes light offerings, desserts, vegetable selections and a description of dietary goals as well as a guide to good eating. As judge Audrey Garvey observes, "This menu has done a good job of relating the message, 'We care about you.'"

Menu designs should hold the patrons' interest, the judges maintain. The menu should be a pleasure to behold, easy to handle and easy to read—even in dim lighting. The menu should be clear, straightforward and descriptive. The menu should be consistent in its theme and targeted to the customer. In short, the menu should work as a marketing tool.

—Carol Caprione

The judges of the 21st Annual Great Menu Contest were

Audrey Garvey, creative director, *Restaurants and Institutions* magazine, Chicago, IL

John Gruner, John Gruner Solutions, Grand Rapids, MI

Steve Kraft, Smithsonian press designer, Washington, DC

Maurice Minno, Management/Design Resources, Fairfax, VA

John Rosson, *Washington Times*, Washington, DC

Carole Sugarman, *Washington Post*, Washington, DC

Marilyn Worseldine, freelance designer, Washington, DC

1984 Great Menu Contest Winners

Grand prize winners

First
Raffles
Creative Restaurants, Inc.
Miami, FL 33269
Second
Market Cafe Restaurant
Westin Hotel, Seattle
Seattle, WA 98101
Third
Presbyterian Intercommunity Hospital
Whittier, CA 90602

Average check under $5 per person

First
Chancery Pub & Restaurant
Wauwatosa, WI 53213
Second
D'Lites of America, Inc.
Norcross, GA 30092
Third
Grinders & Such
Grinders Deluxe, Inc.
Paris, OH 44669

Average check $5–10 per person

First
TGI Friday's (Culinary Impressions)
Dallas, TX 75380
Second
TGI Friday's (Summer '83)
Dallas, TX 75380
Third
TGI Friday's (Sunday Brunch)
Dallas, TX 75380

Average check over $10

First
Maggie Mae's
43 Skdoo Corp.
Pittsburgh, PA 15205
Second
Fedora Cafe and Bar
Gilbert/Robinson, Inc.
Kansas City, MO 64112
Third
American Harvest Restaurant
Vista International Hotel
Washington, DC 20005

Specialty

First
TGI Friday's (Directory of Specialties)
Dallas, TX 75380
Second
Plata Grande Restaurant
Beltsville, MD 20705
Third
Nipper's
International Source Management, Inc.
Santa Barbara, CA 93108

Banquet/Catering

First
Le Centre Sheraton
Les Associes Shermas
Montreal, (Quebec) H3B 2L7
Second
Sheraton Charleston Hotel
Charleston, SC 29403
Third
Colonial Country Club
Fort Worth, TX 76109

Institutional

First
Providence Medical Center
Portland, OR 97213
Second
Edward Hospital
Naperville, IL 60566
Third
St. Elizabeth's Hospital
Chicago, IL 60622

Most imaginative

First
Beaudry's
The Westin Bonaventure
Los Angeles, CA 90071
Second
Harvey's Restaurant
Lutherville, MD 21093
Third
Le Centre Sheraton
Les Associes Shermas
Montreal, (Quebec) H3B 2L7

Best design

First
Ravel
The Sheraton Grande Hotel
Los Angeles, CA 90071
Second
Vicorp Specialty Restaurants
San Diego, CA 92112
Third
Schuler's
Marshall, MI 49068

Greatest merchandising power

First
International House of Pancakes Restaurants Inc.
North Hollywood, CA 91605
Second
Wag's Restaurant (centerfold)
Walgreen's Company
Deerfield, IL 60015

Third
Blom's
The Westin Hotel, Galleria Dallas
Dallas, TX 75240

FOODSERVICE TRENDS

Breakfast business is booming

by Cecelia Niepold

For many restaurateurs opportunities during the breakfast period are rising. Breakfast sales and traffic are not only growing steadily, they are also outpacing overall industry growth.

According to the CREST Family Report, breakfast traffic jumped 42.5 percent between 1977 and 1983, while overall industry traffic advanced only 3.8 percent. Breakfast is also capturing a higher percentage of total customer traffic. In 1977, breakfast accounted for 6.2 percent of total restaurant traffic. By 1983, this proportion had increased to 8.5 percent.

Breakfast growth has accelerated rapidly within the last year. During the last half of 1983, breakfast traffic jumped 15 percent—significantly higher than the 2.7 percent gain reported for total restaurant traffic. In addition, breakfast sales were up 18 percent—twice as strong as the nine percent increase posted by the total industry.

All these numbers add up to one basic fact--breakfast is a growing meal period that can offer lucrative opportunities for restaurateurs. This article highlights the major components of the breakfast market and answers some of the questions restaurateurs may have about the morning meal, such as

- Who's eating breakfast out?
- Where are they eating?
- When do people eat breakfast out?
- Which breakfast items are ordered most frequently?
- Is breakfast a good value?

Who is eating breakfast out? . . .

Some consumer groups seem more likely to dine out for breakfast than others. For instance, according to data from the new CREST Household Report,* more 35 to 49-year-olds chose to eat breakfast away from home in 1983 than did other age groups. Almost one in four breakfast patrons were in this age bracket. More than one in five customers were between 25 and 34 years old, and a similar proportion were 50 to 64 years old. A smaller percentage of patrons—one in 10—was over 64 years old, and only 8.1 percent was between 18 and 24 years old. Since most consumers between 25 and 64 years old work, the differential among the age groups may indicate that people who work are more likely to stop for breakfast in a restaurant than people who do not work.

Although senior citizens don't eat breakfast out as often as some other age groups, they are more consistent breakfast eaters and could potentially become regular breakfast patrons. According to NRA's *Meal Consumption Behavior Study*, senior citizens are not likely to skip breakfast—only nine percent of this group reported missing breakfast one or more times a week—the lowest percentage among the age groups.

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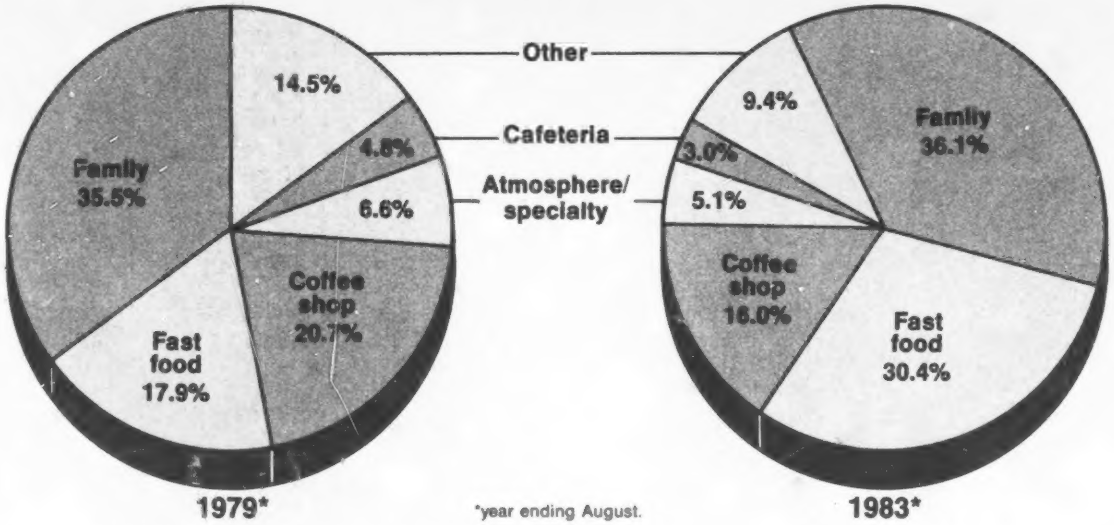
* This article utilizes information from both the CREST Household Report and the CREST Family Report. The CREST Household Report includes singles and non-related people living in the same house and is a recently developed CREST product. The regular Family Report (produced since 1977) has been used in this article to demonstrate long-term trends. Because it does not include singles and non-related households, the Family data may slightly understate breakfast's actual growth rate.

Several reasons why breakfast is booming

- **Maximizes hours**—More restaurateurs are realizing that breakfast offers an opportunity to expand service.
- **Minimal costs**—Start-up costs for the breakfast meal period can be small compared to potential gains. Breakfast food costs are also relatively low, which can contribute to bottom line profits.
- **Convenience**—Breakfast offers people on the go an easy alternative to cooking at home—a convenience many consumers desire.
- **Business breakfast**—More business people are taking advantage of morning meetings as they don't interfere with the rest of the working day.
- **Health concerns**—Consumers have become increasingly conscious of their health and diets. Starting off the day with a healthy breakfast is part of this trend.
- **Working women**—More women are bringing home the bacon rather than frying it. Breakfast away from home can be an important convenience for this group.

Percentage of breakfast traffic by restaurant types



*year ending August.

Source: CREST, NPD, Inc. *(Family Report, September '78–August '83)*

To capture more of this market, restaurateurs may want to offer a special breakfast promotion geared toward customers over 65 years old.

Employment factors also seem to affect breakfast dining out habits. A third of the respondents who reported eating breakfast out were members of two career households. Fewer customers—28.5 percent—were members of one-earner households. Consumers who were not employed (usually retired individuals) were even less likely to eat breakfast out—only 15.3 percent.

Breakfast eating out patterns also differ by household size. The majority of breakfast patrons were members of two person households—more than a third. Slightly fewer—32.2 percent—were members of three and four person households. Almost a quarter of the breakfast customers were single householders, while only 11.7 percent were members of households with five or more persons.

Income levels also appear to play a role in breakfast eating out habits. The largest proportion of breakfast customers earned more than $30,000 a year—35.1 percent. More than a quarter of the patrons earned between $20,000 and $29,999. And, a similar proportion was in the $10,000 to $19,999 bracket. Only a small percentage—12.4 percent—earned less than $10,000 a year.

Where do customers eat breakfast? . . .

According to the CREST Family Report, family restaurants capture most of the breakfast traffic. During the September '82 to August '83 period, 36.1 percent of all breakfast customers chose to eat their morning meal at a family restaurant. Family restaurants accounted for an even larger share of the total breakfast dollar—almost half. These restaurants have slightly increased their share of the breakfast market over the last several years and, consequently, breakfast has become a more important meal period in this type of restaurant. In 1979, 10.5 percent of all family restaurant patrons were morning customers. By 1983, this proportion had increased to 11.9 percent.

Fast food restaurants account for the second largest share of the breakfast market, and they're quickly catching up with family restaurants. In 1983, fast food restaurants captured 30.4 percent of all morning customers and 23.6 percent of the total breakfast dollars. In 1979, fast food establishments accounted for a much smaller 17.9 percent of the breakfast traffic and only 14.4 percent of total breakfast sales. This increase is a reflection of the growing number of fast food chains that have started offering the morning meal.

Americans also eat breakfast quite often at coffee shops. In 1983, 16 percent of all breakfast patrons dined at coffee shops, and 12.7 percent of the total breakfast dollars was spent at these establishments. Even so, coffee shops have lost some of their breakfast market share. In 1979, coffee shops accounted for almost 21 percent of the breakfast traffic and 17.5 percent of all breakfast sales. This decline is probably due to increased competition from fast food restaurants; although more CREST diary panelists may be perceiving coffee shops as family restaurants today than in the early years of CREST, contributing to the declining market share. Among the various restaurant types, breakfast accounts for the largest portion of overall business at coffee shops. In 1983, a third of most coffee shop sales dollars was generated by the breakfast meal.

Atmosphere/specialty restaurants captured only

5.1 percent of the breakfast traffic and 8.1 percent of total breakfast sales in 1983. Generally, breakfast has not been a major meal period for most upscale restaurants. For instance, in 1983, breakfast traffic accounted for only 3.4 percent of all the patrons at these establishments and two percent of total sales. Even though these figures are low, breakfast offers upscale restaurant operators a variety of opportunities for expansion.

Are takeout items popular at breakfast? . . .

Examining where Americans eat breakfast wouldn't be complete without taking a look at takeout breakfast activity. Although most breakfasts are eaten inside a restaurant, consumers' continuing desire for convenience and quick foods has increased the demand for takeout breakfast items. Even though it is still a relatively small market, many restaurants are promoting quick breakfast foods that can easily be taken out.

According to the CREST Household Report, more than one in five breakfast customers purchased breakfast food to go in 1983. Of that percentage, most people—6.7 percent—took their breakfast to work.

Interestingly, according to a Gallup study, female workers are much more apt to buy breakfast to go. Among the female respondents who indicated they had eaten breakfast on the previous day, one in 10 purchased food to eat at work. On the other hand, only one percent of the male respondents took their breakfast to work.

When asked what they were doing before they visited a restaurant for breakfast, not surprisingly, the majority of customers were at home—55.6 percent. A large percentage—11.8 percent—reported being at work, and a significant proportion of consumers said they were traveling or vacationing. Almost eight percent of respondents were business travelers and 10.6 percent were on vacation. Interestingly, the proportion of business travelers or vacationers that ate lunch or dinner away from home was much smaller. This indicates that travelers can be a particularly good target market for the breakfast meal.

Looking at individual days of the week shows that weekends are especially popular for eating breakfast away from home. In 1983, one in five customers reported dining out on a Saturday or Sunday. Weekday traffic was fairly equally divided, with Monday and Friday accounting for slightly more of the breakfast traffic.

What do consumers eat when dining out for breakfast? . . .

Eggs seem to be the all-American favorite breakfast food. According to the CREST Household Report, four out of 10 consumers ordered eggs or omelets for breakfast when dining out in 1983.

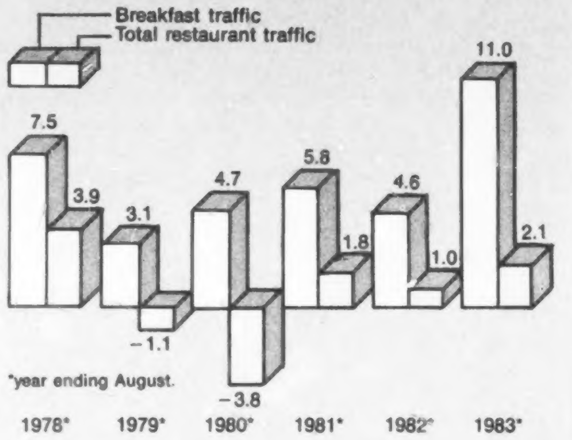
A smaller proportion of breakfast customers—17.5 percent—ordered pancakes, waffles or French toast. Donuts and sweet rolls also seem to be relatively popular breakfast items and were requested at 15.5 percent of breakfast occasions. Breakfast sandwiches, which are being offered by an increasing number of restaurants, were ordered at 14.6 percent of breakfast occasions. This percentage will probably increase as more establishments offer more sandwiches for breakfast.

Bacon and sausage are popular, with 26 percent of customers ordering these items with their breakfast meal. Potatoes (other than french fries) are also a frequent choice. In 1983, 17.7 percent of the customers requested potatoes with their breakfast.

Fruit and cereal are less popular and were ordered by only 2.4 percent and 1.4 percent of customers.

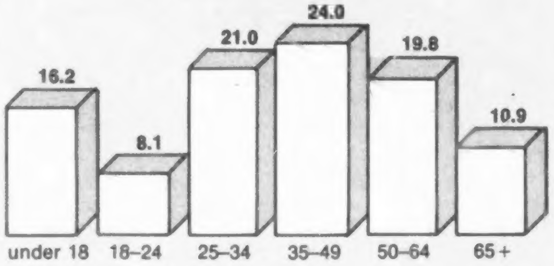
According to a Gallup study in the October 1981 *Gallup Monthly Report on Eating Out*, consumer breakfast preferences vary by age. For example, younger respondents are more likely to order substantial breakfasts, such as eggs and pancakes. When asked to name their favorite breakfast foods when dining out, almost one in three 18 to 24-year-olds named pancakes as a top breakfast choice, compared to only 14 percent of the 50-year-old-and-over group. On the other hand, older customers seem to prefer lighter breakfasts. Eleven percent of the respondents over 50 years old indicated they liked to order cereal in a restaurant versus only three percent of the consumers under 50 years of age. Restaurateurs, when targeting the older consumer segment, may want to offer lighter breakfast specials

Percent change in breakfast and total restaurant traffic

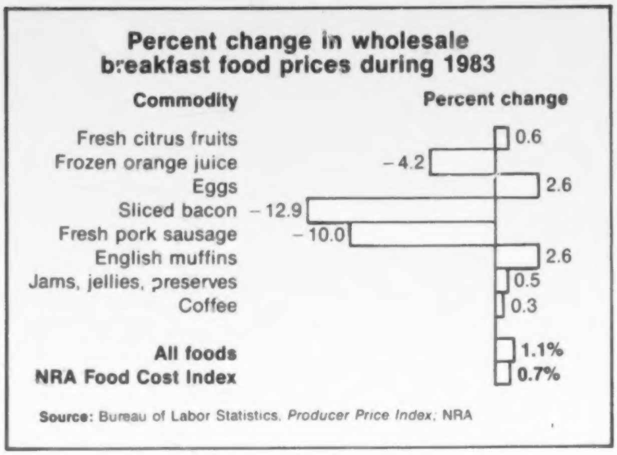


Source: CREST, NPD Research, Inc. *(Family Report September 1977–August 1983)*

Percentage of breakfast patrons by age groups



Source: CREST, NPD Research, Inc. *(Household Report November '82–December '83)*



Percent change in wholesale breakfast food prices during 1983

Source: Bureau of Labor Statistics, *Producer Price Index*; NRA

and entrees.

Coffee is easily the most popular breakfast beverage. According to CREST data, coffee is ordered on more than half of all breakfast occasions. Fruit juices are the number two choice. Almost one in five consumers ordered juice with their breakfast meal. Milk was requested by a much smaller proportion—8.3 percent. Tea and soft drinks were ordered least often.

The Gallup study also shows that breakfast beverage preferences vary by age. For instance, older consumers are most likely to order coffee with their breakfast. Six out of 10 consumers over 35 years old indicated they would order coffee, compared with a smaller 42 percent of the 25 to 34-year-old group and only 16 percent of the 18 to 24-year-old segment.

Is breakfast a good value?...

Most consumers feel that breakfast offers a very good value for the price paid. In fact, an NRA-sponsored question in the December 1982 *Gallup Monitor of Eating Away from Home* revealed that breakfast received higher price/value ratings than either lunch or dinner. (For complete results of this survey, see the April 1983 issue of ***NRA NEWS.***)

According to the survey, three out of four respondents rated breakfast as an excellent or good value. In comparison, the dinner and lunch periods were given similar ratings by only 62 percent and 61 percent of consumers.

Breakfast offers a good value for both consumers and restaurateurs. Breakfast entrees are relatively inexpensive, which pleases customers; and breakfast costs for restaurateurs are also comparatively low. This is because wholesale prices for breakfast commodities are basically low and generally stable. For instance, even though the price of eggs has recently jumped, a restaurateur can still produce quite a few scrambled eggs or omelets at a very low food cost.

Looking at the changes in wholesale prices for breakfast commodities during 1983 shows that breakfast foods were generally a good buy last year. For example, frozen orange juice prices declined 4.2 percent during the year, and prices for sliced bacon dropped 12.9 percent. English muffin prices rose only 2.6 percent, and the wholesale coffee price increased a very slight 0.3 percent.

Top target groups for breakfast

To help restaurateurs pinpoint the consumer groups most likely to eat breakfast in their particular establishment, here is a summary of highlights from NRA's recently published *Consumer Expectation Study*. It is based on responses to the question, "Which meal do you usually eat at a (restaurant type)? Responses apply to family and fast food operations only; an insignificant percentage of respondents reported eating breakfast at an upscale/atmosphere restaurant.

Family restaurants

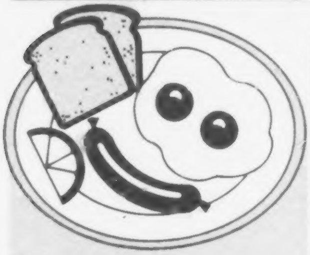
- **Men**—More than nine percent of male respondents said they usually ate the breakfast meal in family restaurants versus 6.2 percent of the females.
- **Singles**—More than one in 10 singles indicated breakfast was their usual meal at a family restaurant—much more than the 7.6 percent total average.
- **Young people**—Approximately one in 10 of the 25 to 34-year-old and 18 to 24-year-old respondents reported eating breakfast in a family restaurant.
- **Upper income households**—A substantial 13.5 percent of the households earning more than $35,000 a year indicated they usually choose to eat the morning meal at a family restaurant.

Fast food restaurants

- **Men**—Almost twice as many men (4.3 percent) than women (2.4 percent) said their usual meal in a fast food restaurant was breakfast.
- **Singles**—More than six percent of the singles usually visit a fast food establishment for breakfast—almost double the 3.3 percent total average.
- **Non-working households**—Approximately eight percent of the non-working households (primarily retired senior citizens) usually choose to eat breakfast at fast food restaurants.
- **Senior citizens and 35-44 year olds**—Almost nine percent of the over 65-year-old segment and 6.4 percent of the 35 to 44-year-old group usually eat breakfast at fast food restaurants.
- **Upper income households**—Almost six percent of the households earning more than $35,000 a year usually dine at fast food establishments for breakfast.

Tips for capturing more breakfast business

- **Cater to the business crowd. Emphasize quick service and available meeting facilities.**
- **Provide discounts to senior citizens.**
- **Offer takeout breakfast specials geared toward busy working people. Provide commuters with special no-spill coffee cups.**
- **Provide free coffee refills or juice. Offer morning newspapers.**
- **Add a breakfast buffet or a breakfast topping bar with different syrups, sauces for omelets and fresh fruit.**
- **Offer breakfast sandwich combinations. Consider using biscuits, croissants or tortillas.**
- **Emphasize the nutritional value of breakfast.**



Breakfast—a healthy way to start off the day

Studies have proven that people work more efficiently and can concentrate and learn better when they've fueled their bodies for the day ahead. More consumers are thinking seriously about the foods they choose to "break their fast," and restaurateurs can boost their breakfast business by emphasizing nutrition.

It is more difficult to achieve the proper balance of calories and nutrients without breakfast. Because there are no specific "right or wrong" breakfast foods, restaurateurs have the flexibility to offer a wide variety of foods to tempt their morning customers.

Variety is usually the key to success. A simple guideline would be to include foods from the following groups: fruits/vegetables, breads/cereals, milk/yogurt/cheese and meat/poultry/fish.

Muffins, individual cereals, fresh fruit, juices, milk, yogurt, peanut butter, hard boiled eggs and cheeses are some food ideas that can be offered to go.

Breakfast offers a wide variety of options—breakfast bars, buffets, breakfast sandwiches or even simple eggs and bacon. No matter how you choose to coordinate your breakfast menu, breakfast can be a healthy way for both your restaurant and your customers to start off the day.

—Karen Sherwood, R.D.

NRA publishes study on ethnic food usage in restaurants

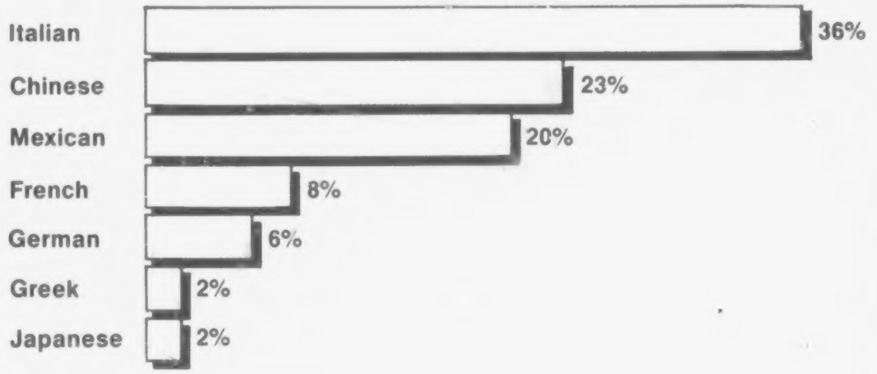
Ethnic food items in restaurants continue to be very popular, and as a result restaurant operators have asked questions concerning the usage of ethnic foods in eating establishments, such as

- Which ethnic foods are most popular?
- Who orders ethnic foods in restaurants?
- How frequently do consumers order ethnic foods when dining away from home?
- How likely are consumers to order ethnic foods in the future?
- Do consumers want to see more ethnic items on restaurant menus?

The National Restaurant Association's latest consumer attitude and behavior study, *Consumer Preferences for Ethnic Foods in Restaurants*, provides answers to these questions.

NRA's new research study reveals that Italian food is the best known.

Ethnic food liked best in restaurants



NOTE: Preferences based on percentage of respondents stating which ethnic food is their most liked.

Source: *Consumer Preferences for Ethnic Foods in Restaurants*, National Restaurant Association

Popularity and use of ethnic foods in restaurants

Ethnic food	General use	Frequency of use	Likelihood of future use
Italian	Very high	Very frequent	Very likely
Chinese	Very high	Very frequent	Likely
Mexican	Very high	Very frequent	Likely
German	High	Frequent	Likely
French	High	Frequent	Likely
Greek	High	Frequent	Somewhat likely
Japanese	High	Frequent	Likely
Spanish	Somewhat high	Somewhat infrequent	Likely
British	Somewhat low	Somewhat infrequent	Somewhat likely
Eastern European	Somewhat low	Somewhat infrequent	Somewhat unlikely
Scandinavian	Low	Infrequent	Somewhat likely
Indian	Low	Infrequent	Somewhat unlikely
Other Oriental	Low	Infrequent	Likely
Latin American	Low	Infrequent	Somewhat likely
Middle Eastern	Low	Infrequent	Somewhat likely
Russian	Very low	Very infrequent	Unlikely
African	Very low	Very infrequent	Somewhat unlikely

Source: *Consumer Preferences for Ethnic Foods in Restaurants*, National Restaurant Association most tried, most frequently ordered and most likely to be ordered again ethnic food in restaurants. Chinese and Mexican foods rank second and third in popularity and are followed by German, French, Greek and Japanese foods. The accompanying chart summarizes usage and popularity for 17 different types of ethnic foods.

The study also provides information on consumer attitudes about ethnic food offerings in restaurants. Generally, consumers exhibit high agreement with the following statements.

- I would try more ethnic dishes if they were available at restaurants.
- I wish more ethnic dishes were available at family style restaurants.
- I like to try items I have never eaten before when I eat out.

Order information . . .

For an indepth look at study results you can order NRA's *Consumer Preferences for Ethnic Foods in Restaurants*. It sells for $15 for NRA members and $30 for non-members plus an additional 10 percent for shipping and handling. Washington, DC, and Illinois residents must add a six percent sales tax to their totals. Chicago, IL, residents must add an additional one percent.

Payment must accompany all orders. Be sure to specify order number CS980 when placing an order with:

The National Restaurant
Association
311 First Street, N.W.
Washington, DC 20001.

Credit card telephone orders are accepted. Call (800) 424-5156 or (202) 638-6100.

Economic indicators

Every day a variety of economic factors affect the restaurant business. Statistics that reflect changes in wholesale food costs, consumer prices and overall wage and salary levels are several of the indicators foodservice operators should watch. Periodically, *"Foodservice Trends"* will present updated figures in several of these areas to give restaurateurs an overview of the economic indicators that can affect their business.

This month's review includes a wage and salary survey and an operating statement. The wage and salary survey is designed to give operators a general idea of average salaries in one or more areas of the country. This particular survey reflects wages in five restaurants in the Atlanta, GA, area in early spring of this year.

The operating statement should help restaurateurs get a better idea of some of the general operating costs of various restaurant types. The operating statement reviewed here reports the operating costs of a limited menu restaurant in Tennessee.

Salary and wage survey
Atlanta, GA—Spring 1984

Restaurant	# of seats	# of entrees	Unit manager	Asst. manager	Chef	Bartender	Diswasher	Busboy	Cash
# 1	500	20	N/A	$ 11/hr.	$ 20/hr.	$5.25/hr.	$4.00/hr.	$3.50/hr.	$5.00
# 2	70	12	N/A	$350/wk.	N/A	$4.50/hr.	$3.75/hr.	$2.01/hr.	$4.00
# 3	115	6	$300/wk.	$250/wk.	$450/wk.	$225/wk.	$3.35/hr.	$3.35/hr.	N/A
# 4	185	17	$650/wk.	$500/wk.	N/A	$4.25/hr.	$5.50/hr.	$3.35/hr.	N/A
# 5	90	15	$380/wk.	$265/wk.	N/A	N/A	$3.96/hr.	N/A	$3.96

Food cost changes, 1982–1984

Commodity	1982 to 1983	Feb. '83 to Feb. '84	2 mos. '83 to 2 mos. '84	Jan. '84 to Feb. '84
Bakery products	3.2%	7.7%	5.8%	0.7%
Flour and cereal	1.1	2.4	2.1	−0.3
Beef and veal	−3.3	5.6	5.3	2.9
Other meats	−8.7	−9.0	−8.4	−2.9
Pork	−9.6	−10.2	−9.5	−4.1
Poultry and eggs	3.2	32.9	34.6	nc
Poultry	3.4	20.6	22.5	0.4
Eggs	2.6	65.1	65.6	−0.6
Fish and shellfish	6.3	−8.6	−2.0	−6.1
Sugar and sweets	5.0	3.2	3.6	0.3
Sugar	8.2	5.0	5.5	0.5
Vegetables	1.2	43.0	36.6	8.2
Fresh vegetables	1.0	72.0	61.1	12.2
Fruits and juices	2.9	7.3	6.1	2.7
Fresh fruit	6.4	2.2	3.3	−0.3
Beverages	1.3	3.8	3.2	0.9
Dairy products	0.6	−1.0	−0.9	nc
Fats and oils	8.8	25.6	27.3	−1.9
NRA Food Cost Index	**0.7%**	**6.1%**	**6.6%**	**0.5%**
All Food, Producer Price Index[1]	**1.1%**	**6.1%**	**6.2%**	**0.7%**

[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables

Source: Bureau of Labor Statistics. *Producer Price Index.* March 1984. NRA

Consumer price changes

	1981 to 1982	1982 to 1983	2 mos. '83 to 2 mos. '84
Food away from home	5.3%	4.4%	4.1%
Food at home	3.4%	1.1%	4.3%
All items	6.8%	3.2%	4.3%
All items less food	6.6%	3.4%	4.4%

Source: Bureau of Labor Statistics, *Consumer Price Index*, March 1984

Labor cost changes

	1981 to 1982	1982 to 1983	Jan. 83p to Jan. 84
Average weekly earnings	−7.0%	4.5%	4.3%
Average weekly hours	nc*	0.4%	1.2%

pprojected

*no change

Source: Bureau of Labor Statistics, *Employment and Earnings*, March 1984

Sales changes

	1981 to 1982	1982 to 1983*	1983 to 1984*
Total industry			
current dollars	6.5%	8.2%	8.9%
real dollars	1.1%	3.7%	3.5%
Commercial group			
current dollars	6.6%	8.7%	9.3%
real dollars	1.3%	4.3%	4.0%
Eating places			
current dollars	7.8%	9.4%	9.8%
real dollars	2.4%	5.1%	4.5%

*Forecast

Source: National Restaurant Association

Operating Statement*

	June 1982 to May 1983
Sales	
Food sales	67.0%
Liquor sales	33.0%
Total sales	**100.0%**
Cost of sales	
Food	32.5%
Liquor	22.0%
Total cost of sales	**29.0%**
Gross profit on sales	
Food	34.4%
Liquor	11.0%
Total gross profit	**71.0%**
Other income	1.0%
Total income	**72.0%**
Controllable expenses	
Payroll	23.5%
Employee benefits	2.4%
Direct operating expenses	5.9%
Music and entertainment	0.2%
Advertising and promotion	6.1%
Utilities	3.7%
Administrative and general	6.1%
Repairs and maintenance	1.7%
Total controllable expenses	**49.6%**
Profit before occupation costs, interest and depreciation	**22.4%**
Occupation costs	
Rent	3.8%
Property taxes	0.8%
Other taxes	2.5%
Property insurance	0.8%
Total occupation costs	**7.9%**
Income before interest and depreciation	**14.5%**
Interest	5.0%
Depreciation	6.7%
Other deductions	2.7%
Net income before federal income taxes	**0.1%**

*These percentages are based on total food and liquor sales except for the cost of food sold and the cost of liquor sold, which are percentages of their respective sales

December–January–February

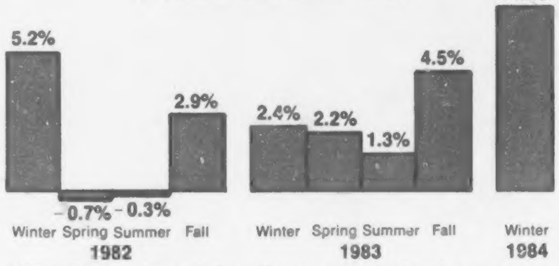
CREST REPORT

CREST Highlights

- Customer counts at the nation's restaurants leaped 7.0 percent in the winter quarter of 1984, marking the best winter quarter performance in the history of CREST.
- During the December-January-February period, visit frequency rose a substantial 3.3 percent over last year, and the proportion of families eating out increased to 77.8 percent—up from 76.9 percent during the same period in 1983.
- Sales continued to move upward in the winter, rising 10.7 percent. This compares with an 8.5 percent and 9.3 percent increase during the fall and summer of 1983, respectively.
- The average check size was up only 3.4 percent versus larger advances in the prior two quarters of 3.9 percent and 7.9 percent.
- Restaurant operators are continuing to use promotions as a means of building customer traffic, but the level of usage this winter quarter was the same as last year—12.9 percent.
- Family restaurants continue to do well, posting a 10.6 percent increase in traffic during the winter quarter. Growth at fast food and atmosphere/specialty restaurants was also significant.
- Traffic at the evening meal rose a substantial 11.7 percent during the December-January-February period. Breakfast and lunch customer counts also advanced—7.2 percent and 6.2 percent, respectively.

Customer traffic leaps 7.0 percent . . .

The nation's restaurants have started 1984 by registering the best quarterly performance in more than five years. Customer counts leaped 7.0 percent during the months of December, January and February—the best traffic gain for any winter quarter in the history of CREST. The only quarter to surpass this traffic increase was the summer of 1978 when customer counts jumped 8.2 percent. In addition, the traffic gain in the first three months of 1984 is significantly better than the advances of the three prior quarters—4.5 percent in the fall, 1.3 percent in the summer and 2.2 percent last spring.



Percent change in quarterly customer traffic
(Winter 1982–Winter 1984)

NOTE: Percent change is from the same quarter in prior year.
Source: CREST, NPD Research Inc.

The continued robust recovery from the 1982 recession and growing consumer confidence contributed to the exceptionally strong upturn during the winter quarter. Factors, such as rising personal income, moderate inflation and expanded job opportunities, have all contributed to this brighter economic picture and have had a positive effect on the restaurant industry. For instance, the unemployment rate in February dropped to 7.8 percent—the lowest since September 1981. Personal income has also risen during each month of the quarter. According to the Commerce Department, personal income rose 1.5 percent in January alone—the strongest one-month advance since August 1981. Inflation has remained moderate, posting a 4.2 percent average gain during the December-January-February period. Menu prices, as reflected in the food away from home index, rose 4.1 percent—slightly slower than the overall increase in consumer prices.

The picture looks increasingly bright for the restaurant industry during the remainder of 1984. NRA expects real eating place sales (adjusted for inflation) to advance 4.5 percent this year. The spring and summer months should be especially strong because of rising incomes and increased vacation activity.

Families dining out more often . . .

The traffic gain in the winter quarter was particularly strong because more families were dining out, and they were doing so more often. The average number of times families visited restaurants—visit frequency—rose a healthy 3.3 percent during the December-January-February period. This compares with a small 1.5 percent gain during the fall, a slight 0.4 percent decline during the summer and a moderate 2.7 percent gain last spring.

Nearly 78 percent of the families dined out at least once during the quarter—up nearly one percentage point from the same quarter last year.

An analysis of visit frequency and proportion of families dining out by restaurant type reveals that family restaurants experienced the largest gains. Visit frequency was up six percent, and the proportion of families dining out reached 49 percent—up from 47.4 percent. Fast food and atmosphere/specialty restaurants also registered gains in visit frequency—3.3 percent and 1.2 percent, respectively. In addition, the number of families dining out at these types of restaurants also rose.

These data support the assumption that the improved economic climate and general feeling of improved economic well-being by consumers resulted in patrons being able to dine out more often at all types of restaurants.

Restaurant sales up 10.7 percent . . .

CREST sales continue to post strong gains—advancing 10.7 percent during the winter period. This compares with an 8.5 percent increase in the fall, a 9.3 percent gain in the summer and a 7.6 percent rise last spring.

Increases in the average expenditure for a restaurant meal or snack—per person check size—continue to moderate. During the winter quarter the average check size increased by 3.4 percent—down from 3.9 percent in the fall, 7.9 percent in the summer and 5.3 percent in the spring. The 3.4 percent increase in average check size is also lower than the 4.1 percent gain in menu prices recorded by the Consumer Price Index for food away from home during the months of December, January and February.

Promotion usage shows no yearly gain . . .

Restaurant operators are continuing to use promotions as a means of building customer traffic, but the level of usage did not increase during the winter quarter. In the December-January-February period, 12.9 percent of the meal occasions involved a promotion—the same percentage as one year earlier. Even so, promotional usage was up from the fall's 11.5 percent level, the spring's 11.0 percent rate and the summer's 9.9 percent level.

Looking at the use of promotions by restaurant type shows that fast food restaurants continue to use promotions more often than do other types of restaurants. During the winter quarter, promotions were

CREST data can be helpful to restaurateurs

The CREST information presented here can be useful to restaurateurs as a base for comparing their operations with industry performance nationally as well as with performance within their specific restaurant category (fast food, family, atmosphere/specialty restaurants). CREST data can also help monitor performance for specific meal periods and identify how segments will be affected by economic conditions. More detailed CREST information is available to NRA members through the research and information service department of the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001.

used on 15.7 percent of the occasions at fast food places—down from 17.5 percent a year ago. Family restaurants and atmosphere/specialty restaurants also continue to rely on promotions. During the December-January-February period, patrons used promotions on 13.0 percent of family restaurant occasions and 12.5 percent of the atmosphere/specialty restaurant occasions. This compares with 11.8 percent and 10.9 percent, respectively, during the same period last year.

Family restaurants post highest traffic increase . . .

The traffic increases by restaurant type indicate that consumers are opting to visit all kinds of restaurants. Family restaurants again posted the largest traffic increase during the winter quarter. Fast food and atmosphere/specialty restaurants also posted some significant gains. However, traffic dropped at cafeterias and coffee shops.

Traffic rose a substantial 10.6 percent at family restaurants in the winter quarter over the same period a year ago. This is considerably better than the impressive 7.0 percent advance posted in the fall. An above-average increase in the number of families visiting family restaurants and increased number of visits to such establishments helped boost traffic.

The per person check size at family restaurants rose only 2.4 percent during the winter quarter over the same quarter a year ago. This compares with a larger 3.4 percent average increase for all restaurants. Promotions were used on 13.0 percent of the occasions at this restaurant type versus 11.8 percent one year earlier. Minimal price increases and high promotion usage may have contributed to consumers perceiving a favorable price/value relationship for a meal at family restaurants, thus boosting traffic.

Customer counts at fast food establishments also increased significantly during the winter quarter—7.8 percent, the strongest gain in more than a year. A rise in the number of visits by patrons—3.3 percent—may have contributed to the above-average growth.

The per person check size rose three percent at fast food restaurants in the winter—slightly below the 3.4 percent average for all restaurants. Promotional usage dropped at fast food establishments during the winter period. Promotions were used on 15.7 percent of the eating occasions, compared with 17.5 percent one year earlier.

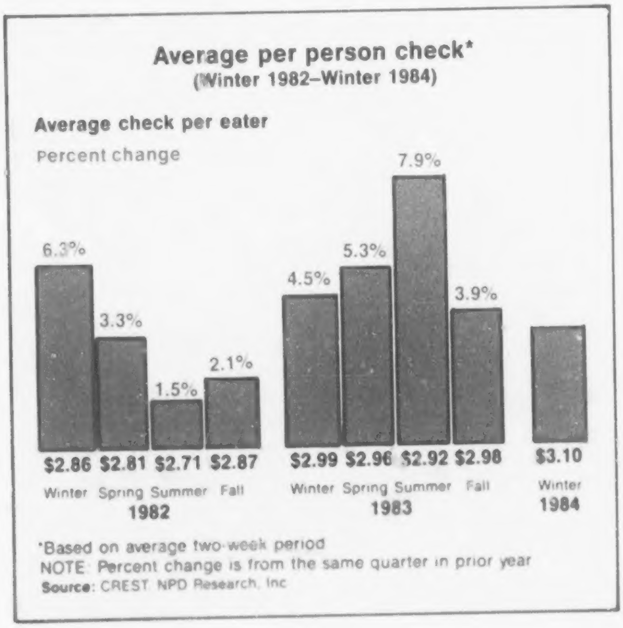
Customer traffic at atmosphere/specialty restaurants also jumped in the winter quarter, posting a seven percent gain—the highest increase in more than a year. Consumers have gained confidence in both the economy and their personal economic situations and, consequently, are more likely to frequent upscale restaurants. This has added to the jump in customer traffic at these establishments.

Promotional usage continues to rise at atmosphere/specialty restaurants, which could also be a factor in the strong traffic growth. Promotions were used on 12.5 percent of the meal occasions during the months of December, January and February—up from 10.9 percent of the occasions one year earlier. The per person check size rose only 2.5 percent during the winter quarter—well below the 3.4 percent average for all restaurants. This factor also may have contributed to the hefty traffic gains at upscale restaurants.

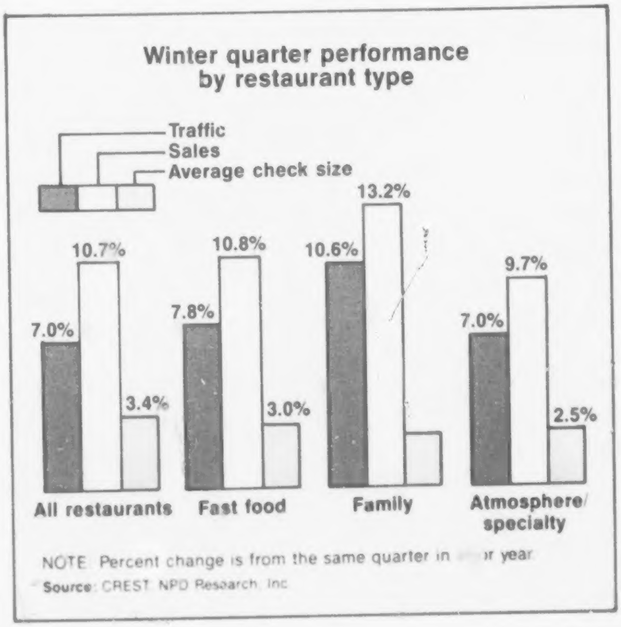
Coffee shops and cafeterias both reported decreases in customer traffic during the winter period. Both of these restaurant types reported a decrease in promotional usage, which may have contributed to their declining customer counts. Cafeterias also experienced a sharp increase in average check size and a strong drop in visit frequency, which probably added to the overall traffic decrease at cafeterias.

Dinner traffic jumps 11.7 percent . . .

Dinner traffic took off during the winter quarter, jumping 11.7 percent—the strongest increase in more than four years and more than double the 5.0 percent increase posted in the fall quarter. Improving consum-



*Based on average two-week period
NOTE: Percent change is from the same quarter in prior year
Source: CREST NPD Research, Inc



NOTE: Percent change is from the same quarter in [illegible]r year
Source: CREST NPD Research, Inc

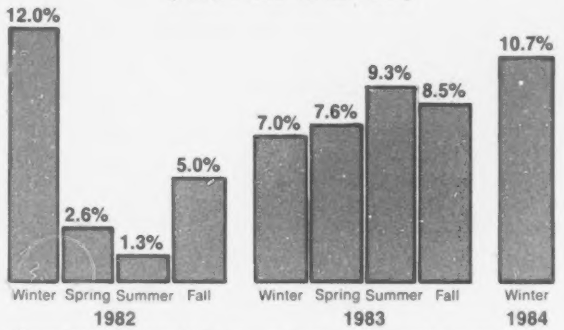
er confidence and spending levels probably contributed to the hefty gains. A substantial increase in visit frequency—4.9 percent—also helped boost traffic during the dinner period.

The average check size increased only 2.5 percent—well below the 3.4 percent average for all restaurants. This, along with a gain in promotional usage, may have added to the improved customer counts. Promotions were used on 18.5 percent of meal occasions during the winter period—up from 18.0 percent one year earlier.

Breakfast continues to post strong traffic gains. During the winter quarter, customer counts for the first meal of the day rose 7.2 percent. A significant increase in the number of families eating breakfast out, along with a moderate gain in visit frequency, probably contributed to the traffic gains.

The average check size for the breakfast meal rose a slight 1.0 percent—significantly below the 3.4 percent average for all restaurants. Promotional usage remained fairly constant. During the winter quarter promotions were used on 10.4 percent of the occasions. This compares with a fairly similar 10.5 percent one year earlier.

Percent change in quarterly CREST sales*
(Winter 1982–Winter 1984)



*Sales based on total U.S.; average for two-week period each quarter.
NOTE: Percent change is from the same quarter in prior year.
Source: CREST, NPD Research, Inc.

The improving economy also has helped boost traffic during the lunch period. During the winter quarter, lunch traffic jumped 6.2 percent—the strongest gain in more than four years. Improving employment opportunities have helped more people get back to work, which has probably contributed to rising traffic levels during the lunch period.

An increase in the number of families eating lunch away from home and a modest gain in visit frequency may have also helped boost customer counts during this meal period. The average check size rose a moderate 2.9 percent—below the 3.4 percent average for all restaurants. Promotional usage during the lunch period dropped slightly from 10.9 percent in 1983 to 10.5 percent in the 1984 winter quarter.

Snacking occasions experienced a slight decrease in traffic—0.5 percent. This was due primarily to a drop in customer counts during the evening snack period. Even though visit frequency was up a strong 5.3 percent, the number of families choosing to eat a snack away from home dropped slightly. This, along with a decline in promotional usage, contributed to the overall traffic decrease. Promotions were used on 7.0 percent of snacking occasions—down from 7.9 percent one year earlier.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, it contains a great deal more data, including information by type and classification of restaurant and also by meal or snack period.

Some 10,000 families, or approximately 30,000 persons, participate in the study. They have been selected to represent the demographic patterns in the U.S. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it creates an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. The first step requires that each household member make a daily entry for each meal during the two-week period. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments, such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NPD Research, Inc.

The CREST study is a joint effort of individual foodservice organizations, acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact GDR/CREST Enterprises, one of the NPD Group of marketing and research companies, 9801 West Higgins Road, Rosemont, IL 60081.

The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on and so forth. It will not tell people's attitudes toward a particular issue. Because it is an ongoing study, the CREST study allows comparison against a standard—an aid in the development of trend analysis. This enables the operator to make decisions based on documented trends rather than on casual observation.

TO YOUR HEALTH

Cholesterol: what it is and what you can do to reduce it

With this issue* NRA NEWS *begins a regular column by NRA staff nutritionist Karen Sherwood, a registered dietician.

By now, cholesterol should be a familiar word to most consumers, often appearing in the media, in advertising and on labels. But just what is cholesterol? Why has it gained all this attention? And how can it affect the needs of your customers?

Cholesterol is a tasteless, odorless, fatty substance which the body cannot live without and is, in fact, capable of producing. However, for many individuals, the need for this internal production can be greatly reduced since the body's demands can be met or exceeded through dietary intake. The problem with cholesterol intake is often too much—not too little.

A heart attack is caused, in most cases, by a gradual buildup of fatty deposits comprised mostly of cholesterol in the artery wall. Research has recently concluded that lowering cholesterol levels in the blood can reduce the risk of this buildup and, therefore, lower the incidence of heart attack in some individuals. For many, one method of lowering cholesterol is dietary restriction.

Where cholesterol comes from . . .

Cholesterol is supplied by foods of animal origin. Any food containing meat or animal fat contains cholesterol. Cholesterol is not the only thing to worry about in terms of health. Fat has even a bigger effect although the reasons are not well understood. Saturated fats usually raise cholesterol levels. Saturated fats are characteristically fats that are solid at room temperature. They are usually found in foods of animal origin, although there are a few exceptions. The two most notable are coconut and palm oils. In addition, non-saturated vegetable oils can become saturated through a chemical process called hydrogenation. The process of converting vegetable oil into vegetable shortening is an example of this. Cholesterol and saturated fats are two items restaurateurs will want to reduce or eliminate when adapting recipes or menu selections.

Polyunsaturated fats are liquid at room temperature and are of vegetable origin. They contribute to cholesterol reduction. That is the reason that corn, safflower, soybean and sesame oils are characteristically part of low-cholesterol diets.

Two oils are considered neutral in the sense they do not significantly change cholesterol levels. They are peanut and olive oils.

How to modify recipes . . .

Many Americans now follow low or reduced cholesterol diets. With a few changes, you can modify your menu or recipes to serve them. You may want to consider including several low cholesterol items on your menu or be prepared to respond to special requests. To modify your recipes to meet the low cholesterol needs of your customers, here are a few guidelines.

- **Egg yolks have a very high cholesterol content.** Use an egg substitute or, if possible, reduce the number of egg yolks used and add additional egg whites (only the yolk has the cholesterol).
- **The higher the fat content or marbling of the meat, the higher the amount of cholesterol and saturated fat.** Consumers restricting cholesterol intake want to avoid high fat meats. Provide very lean, low-fat meat choices on your menu. The best choices are poultry and fish items. (Shrimp, however, is not a low cholesterol item.) Also trim any visible fat prior to cooking. This includes removing poultry skin.
- **Eliminate the use of high-fat dairy products in your recipes.** Use skim or low-fat milk in place of whole milk. (One cup whole milk = one cup skim milk + two teaspoons vegetable oil.) Choose low-fat cheeses for recipes, such as cottage, farmer, pot or skim milk mozzarella. In the place of sour cream, use low-fat, plain yogurt. (One cup sour cream = ⅓ cup margarine + ¾ cup sour milk, yogurt, buttermilk or mayonnaise-type salad dressing.)
- **Substitute polyunsaturated margarine or oils for butter or shortening.** Liquid vegetable oils or margarine should be used in cooking, replacing shortening or butter.
- **Avoid the use of lard or shortening for use in baked products.** Use only cocoa for chocolate flavoring—not chocolate chips or chocolate squares. (One ounce unsweetened chocolate = three teaspoons cocoa powder + one tablespoon margarine.) Avoid desserts that use eggs as the *main* ingredient, such as custards or souffles. (Although eggs are a big source of cholesterol, consider the total amount used and percentage in one serving. A cake is acceptable if made with margarine or polyunsaturated oil and the percent of egg per serving is low.)
- **Consider lower cholesterol alternatives.** For example, use pita bread or melba toast in place of high fat crackers. Egg whites may be used alone, instead of whole eggs, to moisten or bind foods, such as stuffing. And hardened fat can be removed from soups and gravies that are prepared ahead of time and chilled.

By including several low cholesterol choices on your menu and being prepared to modify an item upon request you can provide your customers with the luxury of choice and the impression of consideration. They will be able to eat to their heart's content!

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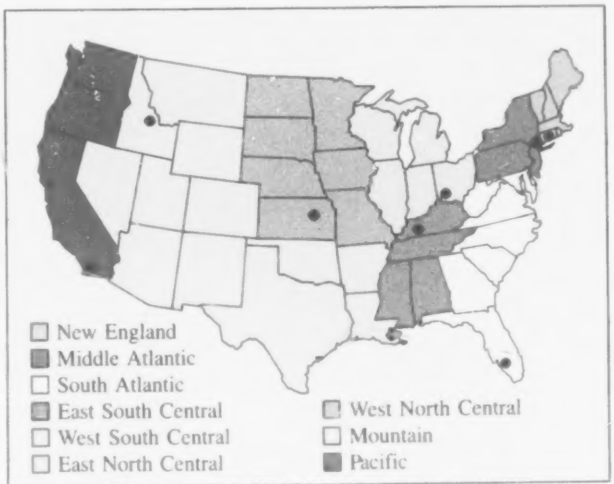
HOW'S BUSINESS?

by Cecelia Niepold

With this issue ***NRA NEWS*** introduces a new column to help members keep their finger on the business pulse of the foodservice industry. Each month, one member will be highlighted from each of the nine census regions to give readers a clearer sense of the national business climate. As these first nine interviews suggest, the severe winter did affect business in some areas of the country.



EAST SOUTH CENTRAL

Location:
Bowling Green, KY
NRA member: Louella Fong
Operation: Ambrosia Restaurant and Catering
Profile: A catering business with a walk-in restaurant that serves lunch Monday through Friday.
In business: Almost 3 years
Seats: 100
Meals served: Lunch, dinner

The restaurant business is still somewhat slow in Bowling Green, but the catering business is going strong, according to ***Louella Fong.*** "People don't seem to be eating out as much. I don't know about the rest of the country, but the restaurant business here hasn't picked up with the economy," she says. The catering part of her operation is doing very well, however. Even during the recession, Fong's catering business remained brisk.

What separates her catering business from the competition? "Basically the quality of the food," maintains Fong, who customizes each order. Methods of preparation and presentation are constantly changing to ensure clients have a different menu for each function. Ambrosia is also known for its nutrition-oriented menus. "We don't fry or bread anything, which is unusual in the South," Fong boasts.

NEW ENGLAND

Location: Hartford, CT
NRA member: Jay DuMond
Operation:
The Restaurant Group
Profile: Umbrella organization operating four restaurants: a Mexican unit, two casual theme restaurants, a lunch cafe with live entertainment at night, a fine dining establishment and an upscale seafood restaurant in a renovated old mill.
In business: 12 years
Seats: Average 200
Meals served: Lunch, dinner

Jay DuMond, president of the Restaurant Group, is very positive about the business climate in Hartford. He adds that Hartford's market is unique and somewhat recession proof because it is a major insurance capital. "Insurance companies don't seem to suffer a lot of ups and downs," he says.

Within the last six months, three new office towers opened near one of the restaurants, which helped boost sales 30 percent above the previous year's levels. That kind of leap doesn't happen every day, but DuMond is optimistic about Hartford's economy maintaining its growth over the long run. So he is opening two more restaurants by the end of the year.

"We take pride in anticipating trends," DuMond maintains. This requires staying on top of changes occurring around the country and using common sense and gut feelings to pick the ones that will do well in Hartford's relatively conservative market.

WEST NORTH CENTRAL

Location:
Council Grove, KS
NRA members: Helen C. Judd, Charles L. Judd
Operation: Hays House
Profile: Restored historic restaurant built in 1857
In business: 10 years
Seats: 250
Meals served: Breakfast, lunch, dinner

Business looked a little bleak this winter in Council Grove—a small town of 2,300 people in agricultural Kansas. "During January, February and the first two weeks of March, business was very slow," says ***Helen Judd.*** The weather had been bad, and one of the major industries in town—a creamery—was slated to close.

Since then the business outlook has brightened considerably, thanks to the innovative townspeople. They banded together and raised $18,000 to promote Council Grove as a tourist spot.

There are 12 national historical landmarks in the town, and Hays House is one of them.

What makes Hays House special? It could be the oldest continuously operating restaurant west of the Mississippi. Built by the government representative to the Kansas Indians, it has been serving food since 1857.

Besides being rich in history, the Hays House also takes pride in its menu. "We make our own bread, age meat right on the premises, cut our own steaks and even fry our chicken in big black skillets," says Helen Judd.

They also offer a unique light entree developed by their daughter. It features marinated bits of steak in a special sauce, served with a cranberry muffin—all for under 400 calories. It's been so successful, Hays House now offers the dish at dinner with a fresh vegetable.

EAST NORTH CENTRAL

Location: Cincinnati, OH
NRA member: John Humphrey
Operation: Zino's, Inc.
Profile: Three tableservice restaurants and a deli operating out of a central commissary

In business: 20 years
Seats: Average 125
Meals served: Lunch, dinner

In Cincinnati, the cold winter weather put a damper on business. "We were doing really well up through the fall. Then the cold weather hit, and we had a bad winter," says ***John Humphrey.*** Humphrey is optimistic about the upcoming year, however. He believes his operation learned some important lessons during the recession that will help improve business.

Humphrey is planning some changes in the upcoming year. They include renovating one restaurant and opening another unit by the end of the year. Lighter entrees have been added to the menu, and there are more carryout items. Picnic baskets, in particular, have been well received.

MIDDLE ATLANTIC

Location: New York, NY
NRA member: Michael O'Neal
Operation: The Ginger Man Group
Profile: Group includes seven restaurants ranging from fine dining establishments to more casual eateries.
In business: 20 years
Seats: Average 200
Meals served: Lunch, dinner

Business is looking up in the Big Apple. "In New York right now we're feeling a good surge. Last fall was terrific as far as sales are concerned, and I expect the spring will be good, too," reports ***Michael O'Neal,*** president of the Ginger Man Group and NRA board member.

According to O'Neal, business in New York City can be affected by the theater, the stock market, tourism and even the weather. "For example the theater seems to be doing pretty well this year, and people seem to be spending more money. So business is better," says O'Neal.

MOUNTAIN

Location: Challis, ID
NRA member: John Walker
Operation: Challis House and Y Inn Cafe, Inc.
Profile: Three different operations under one roof—a dining room, cafe and bar.
In business: 9 years
Seats: 180
Meals served: Breakfast, lunch, dinner

Business in Challis—a small town of 1,000 in the middle of Idaho—has been slow. "Business is down about 15 percent from last year—probably due to the terrible winter," says ***John Walker,*** owner of Challis House and Y Inn Cafe, Inc. (named after the fork in the road that was once on the restaurant site).

According to Walker, his business used to depend heavily on summer tourists, but business evened out in 1980 when a mine was being built in the area. "Because we had 1,000 extra workers at the mine, we didn't experience the recession like the rest of the country," says Walker.

Now half of these workers have left because the mine is fully operational—and this probably hurt business.

Walker's key to success? Consistency—in price and selections. "We've experimented and tried different dishes, but mainly our customers want beef," he says.

WEST SOUTH CENTRAL

Location: New Orleans, LA
NRA member: Jason Clevenger
Operation: Upperline Restaurant
Profile: Small bistro.
In business: 14 months
Seats: 44
Meals served: Lunch, dinner

In New Orleans the restaurant business is expanding, according to ***Jason Clevenger,*** owner and chef of the Upperline Restaurant. His establishment is one of 12 new restaurants that have opened in the New Orleans uptown area within the last 18 months. The majority are small bistro/cafes, and most are doing well.

Already Clevenger's restaurant has surpassed his expectations. Clevenger is optimistic about future growth and may expand into the building next door.

How has he differentiated his restaurant from the other new establishments in the uptown area? By the dishes he offers and by creative marketing. In addition to early bird specials, the restaurant caters to the late-night crowd.

PACIFIC

Location: San Diego, CA
NRA member: Harold Hoersch
Operation: Hob Nob Hill
Profile: Family restaurant
In business: 40 years
Seats: 116
Meals served: Breakfast, lunch, dinner

Things look bright for the restaurant business in southern California, according to ***Harold Hoersch.*** "The general California economy is good, and it is getting better. San Diego itself has many new restaurants and hotels," he says. Hoersch believes 1984 may be a record year for his establishment.

According to Hoersch, his business is thriving because he fills a need for a certain type of restaurant. "We don't have too much competition because we're serving a market that's being abandoned—a general restaurant that serves all three meals and covers the food spectrum," he says. He also concentrates on giving his customers the amenities they expect.

SOUTH ATLANTIC

Location: Naples, FL
NRA member: Anthony Ridgway
Operation: A.W. Ridgway, Inc.
Profile: Three concepts in one establishment—an upscale restaurant, a casual eatery and a take-out.
In business: 12 years
Seats: 220
Meals served: Lunch, dinner

Although the overall economic situation in the Sunbelt is bright, some areas of the south Florida economy are still somewhat slow. This may be partially due to overexpansion, according to ***Tony Ridgway.*** "We may have more restaurants and hotels than we really need," he speculates. Even so, his operation is performing well.

An increased emphasis on budgeting and goal setting has contributed to his success. His operation is now completely computerized. This, he claims, enables him to accurately and consistently monitor his restaurant's progress. Ridgway has also developed an incentive program to increase his staff's efficiency and reduce costs.

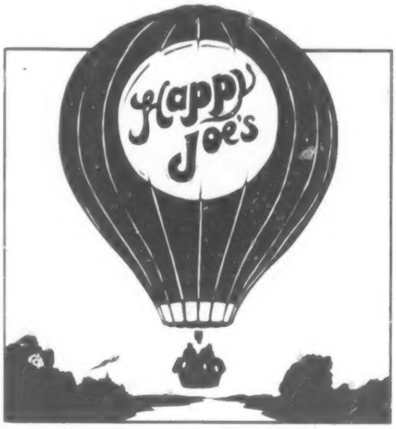
How has he adapted to the slow, off-season summer months—a potential problem in Florida? In addition to budgeting, planning and trying new merchandising techniques, he has agreed to manage a restaurant in North Carolina during the slow Florida summer.

FOOD FOR THOUGHT

Happy Joe's really delivers

When you need a pizza, you need a pizza—no matter where you are. That's how Joe Whitty, founder and operator of Happy Joe's, a 99-unit chain of pizza and ice cream parlors in Bettendorf, IA, feels. And to prove he is a man of his word, Whitty even delivers pizzas to his boating customers on the Mississippi River—via a hot air balloon.

The hot air balloon is flown almost everyday, and when Whitty isn't making deliveries, he is giving his customers rides for birthdays, anniversaries and just to say thanks for their business.



Other marketing tools used by Whitty include antique fire trucks, antique motorcycles with a sidecar and even portable pizza and ice cream parlors.

Whitty claims that if his customers can come into his restaurant and enjoy his pizza and ice cream, then he can go into their community and make them happy.

—*Happy Joe's*

Mobile hamburger kiosks that look like the real thing

America--the home of the hamburger—will soon be invaded by the Superburger. What is the Superburger? The Superburger is a catering kiosk in the shape of a giant hamburger.

Invented by Paul Markham, an Englishman in the catering and fast food business, the booth is made of eye-catching plastic, reinforced in glass, and closely resembles a hamburger in color and shape. The Superburger will be appearing this spring and summer in British resorts, leisure centers and amusement parks as well as in Florida and California.

—*Litagency Limited*

Will the real Twinkie eater please stand up?

What do people really eat? When eating healthy and keeping fit seem to be the "in" things to do, few people are likely to admit to liking Twinkies, jello or donuts. Yet they eat these foods.

NPD Research, Inc., a marketing and research firm in Port Washington, NY, suspected there may be a discrepancy in what people say they eat and what they actually do eat. So, in order to give food companies a more accurate picture of the market for new products, they developed a study to examine both attitudes on nutrition and food and eating patterns.

NPD found that the 1,000 households questioned divided into five groups: meat and potato eaters, families with children, natural food eaters, sophisticates (who shop at gourmet counters and wine stores) and dieters.

Sure enough, the groups didn't stick to their stated preferences. For example, naturalists, as expected, frequently eat fresh fruit, rice, natural cereal, bran bread, wheat germ, yogurt, granola bars and salad; but surprisingly, they also frequently eat French toast with syrup, chocolate chips, cake, pretzels and jello. And sophisticates were above-average eaters of donuts, frozen dinners and prepackaged cakes and Hostess Twinkies.

—*Wall Street Journal*

A floating hot dog stand

It's been said that "necessity is the mother of invention." And it's been proven by the English family of French Town, NJ. For the past three summers and as soon as the weather permits this year, the family operates a floating hot dog stand in the middle of the Delaware River for the convenience of thousands of people who ride in canoes and inner tubes.

Their enterprising move has proven to be very successful: On a good day, the floating hot dog stand bails in about $300 from the sale of 150 hot dogs and 300 iced drinks. Some of this booty goes to the American Cancer Society, a local fire company and a rescue squad.

—*NRA NEWS interview*

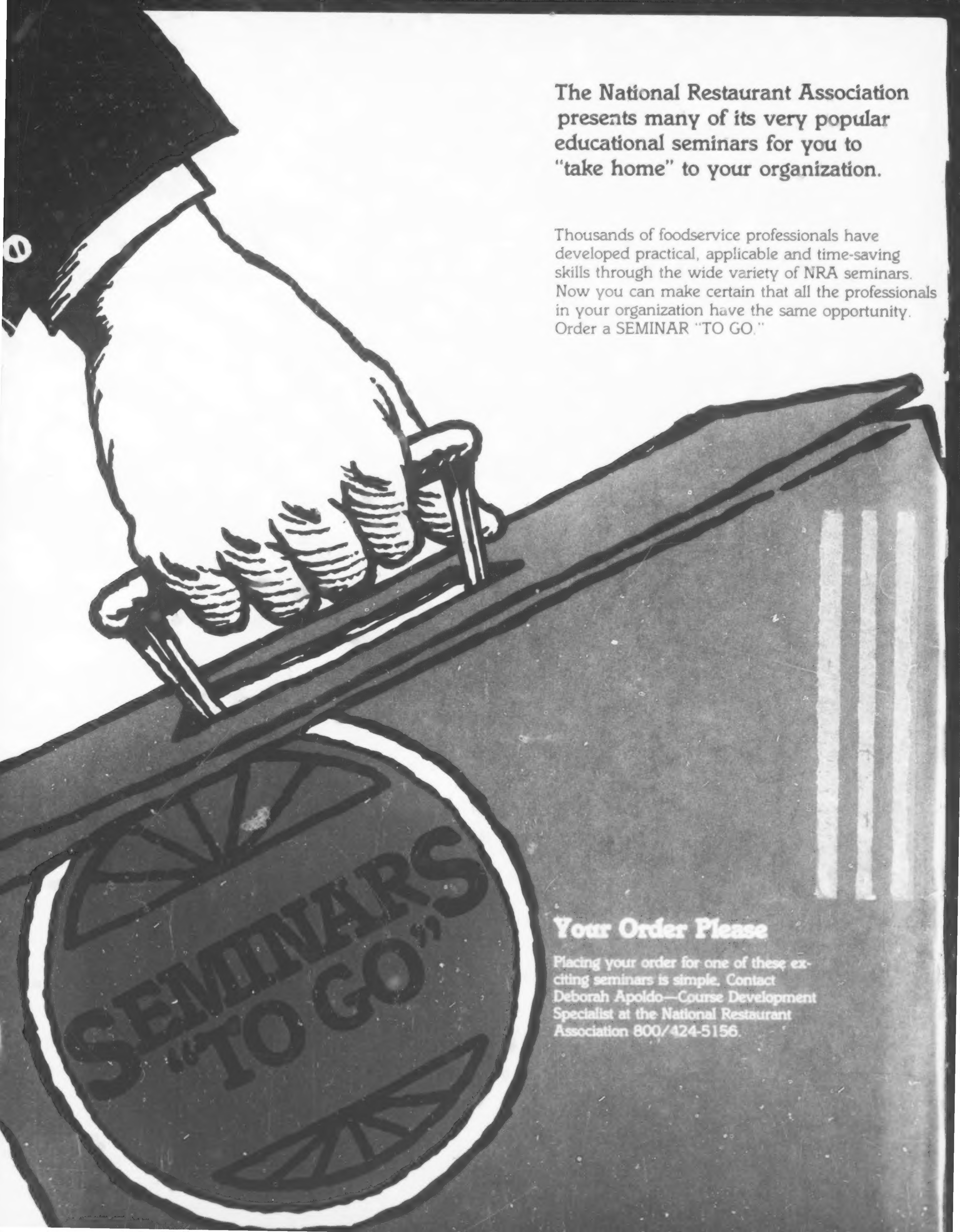
Imitation truffles in Japan

Truffles—a dark brown fungus highly prized by food fanciers—have been a decidely French delicacy for a long time. And a rare one. But now the Japanese are about to reproduce them artificially.

A Japanese company has decided that truffles are made of elements also found in ginseng and garlic and has decided to market them worldwide this summer.

Apparently several French experts have sampled the Japanese truffle. All have expressed reservations about the taste.

—*Washington Times*



The National Restaurant Association presents many of its very popular educational seminars for you to "take home" to your organization.

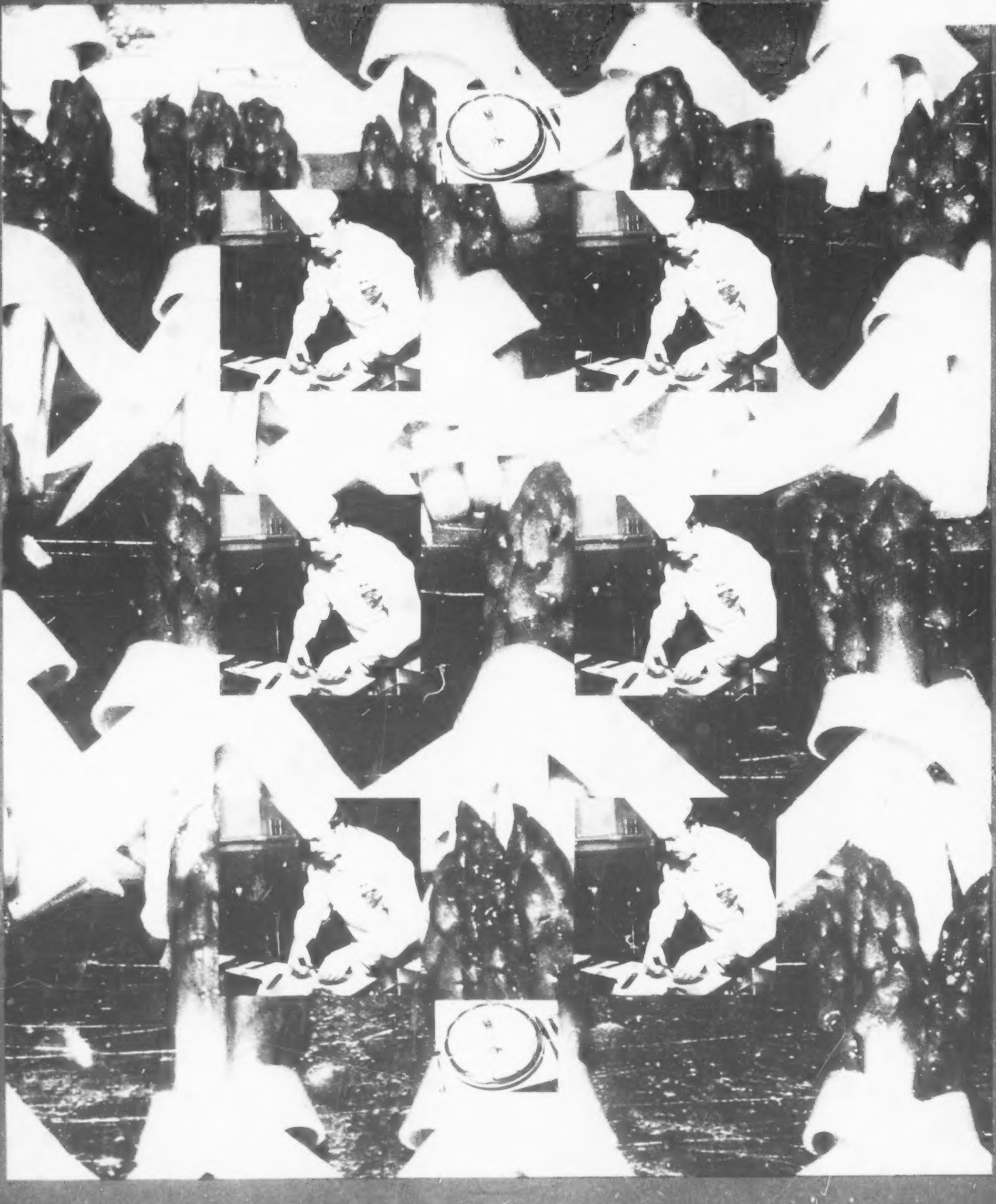
Thousands of foodservice professionals have developed practical, applicable and time-saving skills through the wide variety of NRA seminars. Now you can make certain that all the professionals in your organization have the same opportunity. Order a SEMINAR "TO GO."

Your Order Please

Placing your order for one of these exciting seminars is simple. Contact Deborah Apoldo—Course Development Specialist at the National Restaurant Association 800/424-5156.

National Restaurant Association Vol. 4 ☐ No. 6 ☐ June-July 19[illegible]

NRA NEWS



DINNER OF THE CENTURY

NRA MEETINGS

American Regional Cookery

8/14	San Antonio, TX

Simplified Baking Workshop

9/11	Denver, CO
9/13	St. Louis, MO

Off-Premise Catering

8/13-14	Westchester, NY
9/17-18	Knoxville, TN

Computers in Foodservice: A Primer

8/13	Louisville, KY
8/20	Las Vegas, NV
9/10	Los Angeles, CA

Computers in Foodservice: Advanced Technologies/Now That I Have One . . .

8/14	Louisville, KY
8/21	Las Vegas, NV
9/11	Los Angeles, CA

Perfecting Your Culinary Skills

9/11	Detroit, MI
9/13	Minneapolis, MN

Restaurant Design & Facilities Planning

8/6-7	Washington, DC
9/17-18	Boston, MA

Dining Room Management

8/20	Cheyenne, WY
8/22	Colorado Springs, CO
8/24	Bismarck, ND
9/4	Rochester, NY
9/10	Toronto, Canada
9/12	Ottawa, Canada
9/17	New Orleans, LA

Food Cost Management

8/20	Portland, OR

Kitchen Management

8/2	Tulsa, OK
8/14	Cleveland, OH
8/16	Liberty, NY
9/4	Scranton, PA
9/6	Indianapolis, IN
9/20	San Francisco, CA

Controlling Labor Costs

8/13-14	Milwaukee, WI
9/10-11	Oakbrook, IL

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

8/20-21	Atlantic City, NJ
9/19-20	Raleigh, NC

Planning & Implementing Restaurant Marketing Strategy

8/1-2	Atlanta, GA
9/11-12	Oklahoma City, OK

Menu Development

8/6	Springfield, MA
8/8	Hartford, CT

Creative Merchandising Techniques

9/11	Stratton, VT

Operational Analysis

8/6-7	Seattle, WA

The Pantry: Prep for Profit

8/2	Minneapolis, MN

Foodservice Productivity

9/20	New Orleans, LA

Soups and Sauces

8/1	New Orleans, LA
8/2	Atlanta, GA
9/4	Louisville, KY
9/6	Knoxville, TN

Basic Supervision in Foodservice

8/7	Pittsburgh, PA
8/9	Allentown, PA
8/15	San Antonio, TX
9/11	New Haven, CT
9/18	Pocatello, ID

Tools for Training

9/19	Wilmington, DE
10/1	Portland, OR

Hospitality Workshops

8/21-22	Full Service Seattle, WA
9/11-12	Full Service Chicago, IL
9/13-14	Fast Food Chicago, IL
9/17-18	Full Service San Francisco, CA

National Conference Series

8/26-29	National Conference on Marketing, Advertising and Promotions Long Beach, CA
9/29-10/3	Ninth Annual California Wine Workshop Sonoma, CA
10/28-31	National Conference on Off-Premise Catering Washington, DC

IN-HOUSE PROGRAMS ARE AVAILABLE UPON REQUEST
For more information, contact:
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Barbara Foley
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Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, MI

This is my first opportunity to address you as your chairman and president for the 1984/85 administrative year. I am both honored and delighted to serve our industry in this capacity.

Displaying our industry at its best

NRA's 65th Annual Restaurant, Hotel-Motel Show drew 88 thousand foodservice people to Chicago in late May. Excitement was high, and I sensed that optimism about the future of the industry was evident everywhere. The 11 square mile exposition floor displayed more new products, equipment services, and concepts, than any operator could take in during three days.

This year members of Congress attended the Show as guests of your NRA Board of Directors. They toured the floor, participated in a panel and spent many hours discussing industry issues with Board and industry members. After the Show, Rep. Don Ritter (R-PA) told me, "I realized for the first time what a powerful force the restaurant industry is in our economy."

Monitoring labor issues

Meeting during the Show, the Board voted to establish a Board-level Labor Issues Study Group to evaluate proposed and anticipated legislation that may affect labor costs in 1985 and thereafter. Proposals for changing laws concerning minimum wage, tip credit and unemployment are common and often ill-advised. This study group will review such proposals, devise strategies to oppose adverse bills and support positive legislative efforts.

Talking to suppliers about sulfites

The Board also approved proposals submitted by NRA's Additive Task Force. (See page 27.) Among them is the recommendation that operators prepare to respond to consumer inquiries about the presence of sulfiting agents in food served by their establishments.

The Board recommended that operators ask suppliers if the products purchased have been treated with sulfites. Ask suppliers to indicate the presence of sulfites on the smallest unit container of the products purveyed. The continuing publicity about the dangers of sulfiting agents to asthmatics will likely prompt our patrons to raise these questions with us.

Proposing positive action on DWI

In late June, NRA's Task Force on Alcohol Awareness met in Washington, DC, for its second two-day session in as many months. It reviewed bills that would restrict sales of alcoholic beverages in order to reduce drunk driving. The task force recommended alternative proposals which would, in fact, help reduce DWI and still ensure the prudent dispensing of alcoholic drinks desired by our customers.

An information package concerning this issue has been mailed to NRA members. It contains the new booklet, *Help Prevent Drunk Driving: A Restaurateur's Guide* and other materials covering actions you can take to show your concern about this broad social problem.

NRA believes that the most effective regulation is self-regulation. That's why we urge you to consider carefully the content of this information package. Please read it. It's important.

Getting out the facts

The first in a series of NRA special reports on important industry issues will be mailed to each member company within a few weeks. This report will cover consumer perception and behavior in regard to nutritional issues. Future topics will include energy, food supply and demographic trends affecting the industry.

Reviewing the figures

Meanwhile, NRA's research department is evaluating data for the annual *Operating Ratio* report—a study of the relationships between various operating expenses and sales. Preliminary review indicates that net income before tax rose from 3.4 percent in 1982 to 4.3 percent in 1983. Why? The report shows that we are doing a better job of controlling costs in relation to revenues. The full report will be available by mid-summer.

Organizing a new forum for the independent operator

Planning continues for NRA's first National Management Conference for the Independent Operator. An advisory committee of independent operators is helping staff develop a highly informative program for this three-day conference to be held in New Orleans, January 27–30, 1985. Successful operators from all over the country will be listening to top-rated speakers and sharing ideas with their peers. We will keep you posted on developments regarding this new annual meeting.

During the past two months, 560 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your business will grow through participation in NRA activities.

Sincerely,

Harris

Harris O. Machus
President and Chairman of the Board

CONTENTS

Cover Story

It was a dinner as much a treat for the eyes as for the palate. For the first time in the history of the U.S. Culinary Team, team members prepared an 11-course fundraising gala meal that was, by any standard, a culinary event. Called the Dinner of the Century, it was one of the high points of the 65th annual Restaurant, Hotel-Motel Show, spotlighting the talent of the 12 men who will be representing American foodservice in the International Culinary Competition in Frankfurt this October.

10 For a detailed look at the dinner and the other events during the Show, don't miss the Show Report, which begins on page 10. It will give you a glimpse of the direction American foodservice will be taking in the rest of the decade.

Specials

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How's Business	45	The spotlight this month is on Holyoke, MA; West Orange, NJ; Dewey Beach, DE; Evansville, IN; Tuscaloosa, AL; Sioux Falls, SD; Little Rock, AK; Cave Creek, AZ; and Clatskanie, OR.
Food for Thought	47	Cheese can help fight tooth decay. Texas restaurant wants to secede from New York City.

Cover photograph: Michael P. Weinstein
Cover design: Hausmann/Krohn, Inc.

SHORT ORDERS

September 9— Grandparents Day

In only six years of its observance, Grandparents Day is fast becoming a red letter day for restaurateurs all around the country.

On September 9, the Sunday after Labor Day, families will be getting together to share a brunch, lunch or dinner and pay special homage to their grandparents. If last year's percentages are any indication, at least 20 percent of families will dine out on Grandparents Day.

To foster awareness of the occasion and to help restaurant operators build profits, NRA will be sending press releases and taped messages to radio stations throughout the country to announce Grandparents Day. To restaurant operators, NRA will offer promotional materials, including a poster and table tents, which members can order by contacting NRA at 311 First St., N.W., Washington, DC 20001 or calling 202/638-6100 or 800/424-5156.

Also, the National Council of the Observance of Grandparents Day (NCOGD) has prepared streamers, posters, mobiles and pennants, which are described in a brochure that is available toll-free by calling 800/621-4118 or 800/972-3608 in Illinois.

Model ordinance interpretations

Selected interpretations of the Food and Drug Administration (FDA) Model Food Service Ordinance are available through the National Restaurant Association's Technical Services Department in Chicago, IL. The ordinance, which has been adopted by 30 states and hundreds of communities, is the basic document for almost all public health regulations of restaurants.

Currently available interpretations concern

- Baked or boiled potatoes considered to be potentially hazardous
- Use of chemical sanitizing rinse
- Effectiveness of ultrasonic pest control devices
- Proper temperature of chemical sanitizing rinse
- Requirements for retaining shellstock tags
- Addition of sulfiting agents
- Product temperature criteria for microwave cooking of pork, pork products and beef roasts
- Cooked bacon as a potentially hazardous food
- Soy protein products considered to be potentially hazardous foods
- Automatic insecticide dispensers
- Transmission of herpes by food or food contact surfaces and
- Between use storage of food preparation utensils.

Also available are the following documents:

- Customer self-service of bulk foods (food store ordinance only)
- Evaluation of multi-unit food operations and
- Manager training and certification.

For further information, contact Andrew Poledor at (312) 853-2525.

NRA Executive Vice President Bill Fisher (L) congratulates L. David Horner, this year's winner of the Small Business Person of the Year for Florida award. Horner came to NRA headquarters while in Washington for the Small Business Administration's celebration of Small Business Week. Horner owns 13 Popeye's Famous Fried Chicken franchises, employing 500 people with sales reaching $11.2 million in 1983.

New study group for general counsels

A new study group is forming within NRA's Executive Study Group Series for those with general counsel responsibility in a chain restaurant or hotel company. The General Counsel Group will be the 13th study group in the series, which is a members-only service designed for executives within chain member companies.

This group will address such areas as insurance, franchising, real estate, liquor licensing and liability as well as negligence action. These topics are not currently explored by existing study groups.

Any NRA member interested in participating in this group is encouraged to contact Executive Study Group Coordinator Philip Kralovec in NRA's Chicago office at (312) 853-2525. The group is also interested in recommendations for study topics.

WASHINGTON REPORT

Youth opportunity wage is picking up momentum

The Reagan administration is stepping up efforts to persuade Congress to enact a summer youth opportunity wage. And NRA supports this initiative. Speaking on behalf of NRA before a House labor subcommittee in May was Government Relations Director Ron Sarasin, who as a member of Congress in 1977 authored legislation to help reduce the unemployment rate among teenagers.

"The barriers to hiring young, unskilled, disadvantaged youth are already significantly high without contributing another in the form of a wage barrier," he said.

The Reagan proposal would allow employers to pay youths under the age of 20 about 75 percent of the minimum wage—$2.50 per hour—for employment between May 1 and September 30.

To guard against employer abuse, the proposal prohibits employers from substituting 16 to 19 year olds for current employees and imposes a fine on those who discharge, transfer or demote workers to employ eligible youths.

The administration picked up support for its proposal in April when the National Conference of Black Mayors endorsed the concept of a youth wage. The group said it favors an experimental summer program as a means of alleviating the "tremendous problem of youth unemployment and particularly the problem of minority youth unemployment."

Despite sustained economic recovery over the past year, youth unemployment remains extremely high, especially for minorities. The unemployment rate for teens is about 18 percent, while the unemployment rate among minorities in the same age bracket is more than twice as high.

The Minimum Wage Study Commission has estimated that more than 400,000 summer jobs would be created if the Reagan proposal were enacted.

About a third of those jobs would be in the foodservice industry, the Department of Labor says.

Sen. Charles Percy (R-IL) and U.S. Rep. Ron Packard (R-CA) have introduced the administration's plan in the Senate and House. The identical bills are S. 2687 and H.R. 5721.

Although it has 36 cosponsors, the Packard bill will probably stay bottled up in the House Education and Labor Committee, which is controlled by Democrats generally hostile to the idea of a youth wage.

Chances of passage are much greater in the Senate. Senate Labor and Human Resources Committee Chairman Orrin Hatch (R-UT) is one of 13 cosponsors of the Percy bill, and he has indicated he will hold hearings on the legislation this summer.

"It is time we recognized that the minimum wage is in large part responsible for diminishing youth employment opportunities," Hatch said. "We have removed the bottom rungs from the ladder of employment by making it economically infeasible for an employer to hire anyone without the skills, experience or maturity to immediately earn the minimum wage in terms of productivity."

Percy said government programs, such as CETA, have "failed to solve the tragedy of youth unemployment. In spite of these programs and billions of dollars spent, youth unemployment has continued to plague our cities, small towns and rural areas."

In addition to the Percy-Packard bill, four other bills have been introduced in the 98th Congress (see box) that would establish a youth differential to the minimum wage. So far, no action has been taken on any of them.

- **H.R. 3679** would amend the Fair Labor Standards Act (FLSA) to permit an employer to hire a teenager under 19 at a wage rate of $2.85 per hour, or 85 percent of the minimum wage, for a period of 180 days. A similar bill was introduced in the 97th Congress.
- **H.R. 485** would permit an employer to hire youths under 20 at a wage rate of 85 percent of the minimum wage ($2.85 per hour) for the first year of employment. The bill would remove the certification requirements for the employment of full-time students. A similar bill was introduced in the 96th Congress.
- **H.R. 2149** and **S. 1023** would, among other things, establish a youth opportunity wage of $2.50 per hour or 75 percent of the applicable minimum wage, whichever is less, from May 1 through September 30, for persons under the age of 22. **This bill was supported by the administration.**
- **S. 561** would establish a youth wage of 85 percent of the minimum wage ($2.85 per hour) for any youth under 20 years of age for the first six months of employment. The bill would expire three years after the enactment date. The Secretary of Labor would be required to file biennial reports on the effectiveness of the provision. A similar bill was introduced in the 97th Congress.

Restaurant central kitchens

In testimony submitted to a House Agriculture Subcommittee last month, NRA said it supports a bill that would exempt restaurant central kitchens from federal meat and poultry inspection.

The NRA-backed legislation was the subject of a hearing before the Subcommittee on Livestock, Dairy and Poultry on May 17. The bill (H.R. 5223) was introduced by Agriculture Chairman Kika de la Garza (D-TX) earlier this year after discussions with NRA about the central kitchen problem.

The bill would eliminate duplicative federal inspection of meat and poultry products when a restaurant kitchen prepares ready-to-eat food for sale to consumers at other restaurants owned or operated by the same company.

In its testimony NRA pointed out that central kitchens are already inspected by state and local authorities, so there is no need for additional and costly federal inspection.

NRA also argued that the inspection laws were written specifically for large meatpacking facilities.

NRA noted that the U.S. Department of Agriculture (USDA), which inspects the kitchens, has agreed that such inspection is unnecessary, but USDA has said it does not have the authority to exempt central kitchens.

President authorizes second White House Conference on Small Business

President Reagan signed into law legislation calling for a second White House Conference on Small Business during official Washington's celebration of Small Business Week (May 8-11).

In a White House ceremony on May 9 honoring this year's Small Business Persons of the Year, President Reagan indicated the conference would probably be held in 1986.

Preliminary state and regional sessions would be held prior to the national conference.

The first Small Business Conference was held in 1980 and attracted some 25,000 small business participants. NRA was active in the conference, which developed recommendations for executive and legislative action on small business issues.

Job training, capital formation, innovation and technology, inflation, energy, minority business development, government regulation and paperwork were among the issues considered in 1980.

1983: a good year for small business

1983 was a very good year for small business, according to a recent report to Congress prepared by the Small Business Administration (SBA).

According to the SBA, new business starts were up 13 percent last year, and bankruptcies fell by 30 percent in the second half of 1983.

Income increased by 18 percent among proprietorships and partnerships, which comprise most small businesses.

The report attributes the record year of business formation and employment to the economic recovery. In 1983, inflation fell from 12 percent to 4 percent, and the prime interest rate plunged from 21 percent to 11 percent.

Small businesses contributed 2.6 million new jobs to the economy in 1983. Half of the private sector labor force is now employed by small firms, and small businesses furnish two out of three workers with their first jobs.

Although the SBA report did not discuss specific industry gains, NRA's research confirms that 1983 was a sunny year for restaurateurs. The foodservice industry posted its best sales performance since 1977.

—*Jay Morris*

Is your congressman a member of the Travel and Tourism Caucus?

If your congressman is not a member of the Travel and Tourism Caucus, encourage him or her to participate.

The caucus is one of the largest on Capitol Hill, but it needs to be expanded to properly represent the importance of travel and tourism to the overall U.S. economy.

To the foodservice industry, travel and tourism are vital because food is the second largest expenditure for the traveling public. In short, the greater the frequency of travel throughout America, the more the foodservice operator benefits. So be sure to contact your representative today. It not only will help the foodservice industry but also will strengthen our country's economic recovery.

THE BOARD ROOM

NRA membership elects new officers and directors

During the Annual Membership Meeting at the 65th NRA Restaurant, Hotel-Motel Show, **Harris O. Machus** of Harris O. Machus Enterprises, Inc. in Birmingham, MI, was elected chairman of the board and president of the National Restaurant Association. Machus succeeds Joe R. Lee, executive vice-president of General Mills, Inc. and president of the General Mills Restaurant Group.

Theodore J. Balestreri, president and co-owner of the Sardine Factory in Monterey, CA, was elected vice-president, and **G. "Jim" Hasslocher,** president and chairman of the board of Frontier Enterprises in San Antonio, TX, was elected treasurer. Machus, Balestreri and Hasslocher began serving one-year terms in their respective positions on Monday, May 21.

New NRA president appoints committee chairmen

"The range of NRA activities is remarkably broad. Only by dividing into committees and reviewing staff activity in various areas can we do justice to all the association's functions," said NRA President Harris O. Machus.

Machus began a year's term as President and Chairman of the Board on May 21. One of his first actions was to announce the chairmen of the Board-level committees that direct NRA activities.

Harris "Bud" Rusitzky (Serv-Rite Corp., Rochester, NY) will chair the Communications Committee, which oversees NRA's media relations program, the ***NRA NEWS*** and all promotional activity.

The Convention Committee, which plans the annual NRA Show, will be chaired by **Michael O'Neal** (The Ginger Man Group, New York, NY).

The Education and Research Committee will be chaired by **James A. Collins** (Collins Foods International, Inc., Los Angeles, CA). This committee supervises NRA's seminars, conferences and research projects.

Robert T. Clift (Banner Food Enterprises, Oklahoma City, OK) will chair the Energy and Technical Services Committee, which reviews activities regarding energy conservation and sanitation.

The Human Resources Committee, which oversees NRA programs relating to employee recruitment, training and management, will be chaired by **Dave Beck** (Westward Ho Cafeterias, Dayton, OH).

John R. Farquharson (Araserve, Philadelphia, PA) will chair the Membership Committee, which supervises member services and recruitment.

Thad Eure (The Angus Barn Ltd., Raleigh, NC) will chair the Political Action Committee, which oversees fund-raising for the NRA PAC.

The State Communication and Political Education Committee, which reviews NRA's liaison with the state restaurant associations, will be chaired by **C. Marshall Scott** (Marshall Scott Enterprises, Inc., St. Louis, MO).

Several committees oversee the internal operations of the association. They are the Audit Committee, chaired by **John F. Cauley, Jr.,** (Friendly Ice Cream Corp., Wilbraham, MA); the Bylaws Committee, chaired by **Kenneth Hill** (Gilbert Robinson, Kansas City, MO); Finance Committee, chaired by NRA Treasurer **G. "Jim" Hasslocher** (Frontier Enterprises, San Antonio, TX), the Investment Committee, chaired by **Walter Conti** (Conti Cross Keys Inn, Doylestown, PA); the Nominating Committee, chaired by **John Rian** (Rian's Inc., Portland, OR); and the Pension Committee, chaired by **Larry Hilaire** (Hilaire's Restaurants, Portland, OR).

The Board has also authorized three special task forces: Alcohol Awareness, chaired by **Michael Grisanti** (Casa Grisanti, Inc., Louisville, KY); Food Additives, chaired by **Robert S. Wood** (Bob Evans Farms, Inc., Columbus, OH); and Goals and Parameters, chaired by **Michael Hurst** (15th Street Fisheries, Ft. Lauderdale, FL).

All these chairmen serve on the NRA Executive Committee, which is chaired by NRA President **Harris O. Machus** (Harris O. Machus Enterprises, Birmingham, MI). The Executive Committee acts for the Board when the Board is not in session.

The following new directors were elected to the board during the membership meeting: **Ralph O. Brennan,** vice-president and general manager, Mr. B's, New Orleans, LA; **Richard Cregar,** president and chief executive officer, Cregar Enterprises, Warren, MI; **Steve Elmont,** president, Creative Gourmets, Ltd., Boston, MA; **M. Van Lewis, Jr.,** president, Lewis Restaurant Management Corp., Lynchburg, VA; and **Donald Phelan,** owner, Browning's Mexican Foods, Little Rock, AR.

The following members were re-elected to additional terms on the NRA board: **DeVere Burtenshaw,** Alpine Food Products, Inc., Redmond, WA; **John P. Cauley, Jr.,** Friendly Ice Cream Corp., Wilbraham, MA; **Guss Dussin,** The Old Spaghetti Factory International, Inc., Portland, OR; **Stanton D. Elliott,** Fresh Freeze Enterprises, Eureka, CA; **John R. Farquharson,** Araserve, Philadelphia, PA; **John Henry Felix,** Ohana Food Services, Honolulu, HI; **Stephen M. Huse,** Noble Roman's Inc., Bloomington, IN; **John J. Kawa,** Johnny's Cafe, Omaha, NE; **Jack L. Miller, Sr.,** Open Hearth Restaurant, Gatlinburg, TN; **Thomas S. Monaghan,** Domino's Pizza, Inc., Ann Arbor, MI; **Robert Rosenberg,** Dunkin' Donuts, Inc., Randolph, MA; and **Warren Rosenthal,** Jerrico's Inc., Lexington, KY.

—Dorothy Dee

- **U.S. Culinary Team in the kitchen**
- **Industry trends and directions reviewed**
- **Show floor highlights**
- **Tips from Wayne Dyer and Ken Blanchard**
- **Why members, congressmen, the press came**
- **NRA Alcohol Awareness Program unveiled**
- **The Main Course—more than a race**

1984 NRA SHOW

New Possibilities

Incoming NRA Chairman and President Harris Machus welcomes incoming NRA Treasurer Jim Hasslocher.

No two NRA Shows are exactly the same. Whether it's a product, a recipe, an idea, a contact or a new friend, Showgoers find something special at the Show each year. And this year was no exception.

On the exhibit floor, suppliers introduced many new ideas—from a talking dishwasher to tofu ice cream. In the management clinics and theaters, experts pinpointed state-of-the-art management techniques, many of which will appear in future issues of the **NRA NEWS**. In the Culinary Arts Salon, the latest food preparation trends were expressed in their most exalted state. At press conferences, NRA officially launched its alcohol awareness program and introduced results of its latest industry research.

For the first time in the history of the U.S. Culinary Team, team members prepared an 11-course, fund-raising gala, appropriately called The Dinner of the Century. It gave participants a preview of the direction American foodservice will be taking in the years to come.

Even the attendance list made news. Among the 89,000 visitors who thronged to the Show this year, there were eight congressmen—all members of the House Travel and Tourism Caucus.

Not all at the Show changes each year, of course. As in years past, NRA members elected their new officers for the year 1984–85 and honored incoming President and Chairman of the Board Harris O. Machus at the Grand Banquet.

NRA first ladies received special recognition at the First Ladies' Luncheon, where the guest speaker was first lady of the American stage Helen Hayes. Outstanding foodservice facilities in the Air Force were once again recognized at the Hennessy Awards luncheon,

The members of the U.S. Culinary Team worked with precision, skill and imagination preparing The Dinner of the Century.

G
65th
RESTAURANT HOTE

This year's show was the biggest in history—with 89,000 participants.

Each Year

and award-winning menus in NRA's Great Menu Contest were on display in McCormick Place.

The opening day program, always a special attraction, this year featured outgoing President Joe R. Lee, who spoke of NRA programs and initiatives during his year in office. Also part of the afternoon program was a taped video greeting from President Ronald Reagan as well as a panel discussion on the economy and upcoming election.

The Main Course®, a 10-kilometer (6.2 mile) race along Chicago's lakefront, was back for the fourth consecutive year—with 700 more runners this year than last. The ever-popular Convention Capers featured such big-name groups as The Platters and Jade as well as country and Western performer John Conlee; and the Grand Banquet put its entertainment spotlight on musician Glen Campbell and comedian Michael Davis.

In sum, the NRA Show was a blend of new ideas and popular regular features that created a memorable experience for Show participants. "From beginning to end the Show was exciting," concluded one NRA member.

The Dinner of the Century

The Dinner
Of the Century

When Kaiser Wilhelm of Germany entertained the Czar of Russia at the turn of the century, the chef at the court was asked to prepare a dish from the bear the two men had killed during a hunt. The chef prepared a consomme with bear dumplings and, at the last minute, added flecks of 23-carat gold to make the dish fitting for the king. A variation of this classic recipe—with bear, broth, and gold leaf as well as morels and watercress custard—was served to nearly 160 guests at the Dinner of the Century during the NRA Show in May.

Gold service. Ice sculptures. Pulled sugar centerpieces. Waiters in white gloves. And eleven ambrosial courses were some of the components that went into the black-tie event called the Dinner of the Century.

Whether or not the guests at the $500-a-plate dinner believed the 11-course meal they were eating was, in fact, the best meal of the century, most—if not all—marvelled that food so beautiful could taste so good—especially in banquet proportions.

The gala, organized as a fundraiser for the U.S. Culinary Team, was a high point of the 65th Annual National Restaurant Association Restaurant Hotel/Motel Show. Held in the grand ballroom of Chicago's renovated Palmer House, it showcased the imagination, creativity, skill and artistry of the 12 chefs who will be representing American foodservice at the International Culinary Competition in Frankfurt, Germany, this October.

During the 18 months they have been together preparing for this competition, often called the culinary olympics, the team members have perfected recipes and their philosophy that elegant, cost-effective menus can be composed of regional American foods.

The Dinner of the Century was a showcase for their ideas and a preview of where the team members—the nation's culinary trendsetters—are taking contemporary American cuisine. The menu—from the ingredients to the names of dishes—paid tribute to America, illustrating the great variety, color and texture of American foods. It featured such regional specialities as California's miniature vegetables and wines, New York duck livers and galax leaves from the swamps of Minnesota and North Carolina, used as decoration for the sorbet course. There was a concern for quality, total usage and a balancing of heavier and lighter dishes. "We put our reputations on the line," confesses Team Captain Richard Schneider. And this reputation was raised to new heights by the evening's end.

A concern for excellence was apparent at every moment before and during the dinner. In the hours before

Team members worked in choreographed harmony.

the evening affair, the U.S. Culinary Team and their apprentices worked with detailed precision—chopping, assembling and testing in the furnace-like kitchens; chipping away at ice blocks in the hotel freezers; or fighting the high humidity to make the pulled sugar centerpieces.

Team Manager Ferdinand Metz could be seen throughout the kitchens, tasting, taking notes and making last-minute changes. At one point he shook plates of white asparagus puree and vegetable sabayon to make sure the two sauces wouldn't run over the plate or into each other while being transported with carrot-laced asparagus from the kitchen to the tables.

This dedication continued as the evening wore on. While dinner guests danced effortlessly to "Blue Bayou" and other tunes by the Dick Judson Band, the chefs continued their cooking, adjusting and personal arranging of course after course. Lined up in formation on the long metal kitchen tables, the dishes looked more like a colorful tapestry or geometric painting than serving plates for a meal—so perfectly did the colors harmonize and so precisely was each item arranged on the plate.

The team, too, worked together in choreographed harmony. There was no sense of self-importance as the chefs moved from station to station, dish to dish. Even as exhaustion set in and tired waiters could be heard breaking glasses, the mood was one of mutual respect and "the show must go on."

Working well under pressure is a prerequisite for any member of the U.S. Culinary Team, maintains Ferdinand Metz; and the Dinner of the Century gave Metz a chance to observe team members in a high-pressure situation. "In Frankfurt we need to minimize mistakes, to react appropriately to adverse conditions," says Metz. "I saw a lot of teamwork," adds Team Captain Schneider. "It was good for the team, and it gave them self-confidence and a sense of camaraderie."

A look at the dishes . . .

The menu itself was a combination of award-winning dishes, olympic gold-winning hopefuls and creative brainstorming results. Arriving at the rough menu took two complete weekends and "tons of phone calls," reports Schneider.

"The idea was to create a meal that any foodservice operator could take back into his establishment and to show that quality can be achieved even in the largest of dinners."

Although everyone on the team did everything during the course of the Dinner of the Century, individual team members were in charge of developing specific courses. Sometimes the dishes were completely transformed from their initial concept. For example, the "Floral Salad 'Kentucky'" began as a tomato ring with lettuce pushed through it. By the time of the Dinner of the Century—after an intermediate transformation for the Osaka, Japan, competition—it evolved into a hollowed, marinated tomato filled with Bibb lettuce, radish sprouts, radicchio, and enoki mushrooms in a lemon vinaigrette. And it was accompanied by a light goat cheese souffle.

There were certain patterns that were evident in the menu. For example, there was a preference for crisp vegetables, many of them miniature. And, says Schneider, "We marinate almost everything a little to give it flavor." Most dishes were prepared a la minute, such as the duck livers. The chefs were never farther ahead than three or four orders on this particular course.

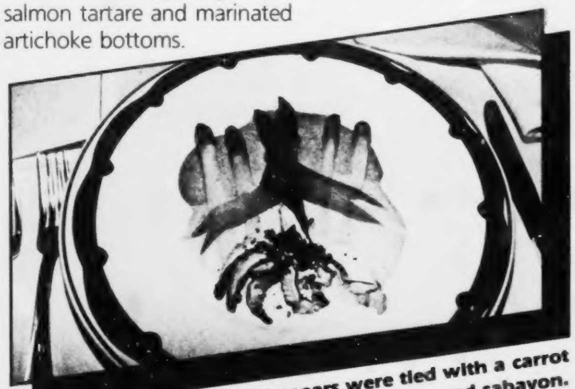
In a few cases there were last-minute changes to replace an unobtainable item. "Something like that could happen at Frankfurt," points out Schneider. "You always cook in the real world, not utopia. You can't say, this was frozen so I don't want to use it. You learn to make adjustments, even if you prefer fresh. We can't let nonavailability or any other misfortune get us down."

If there were any substitutions, they certainly were not apparent to the enthralled guests, who, with almost childlike wonderment, delighted in each dish and waited expectantly for the next one to arrive.

Setting the tone for the evening were the elegant appetizers served butler-style at a champagne reception. They included caviar blinis, steak tartare, miniature hollowed potatoes filled with snails and herb butter, and crab-filled patties.

After the guests were greeted by NRA outgoing President Joe R. Lee and members of the NRA/ACF U.S. Culinary Team Foundation, which sponsored the affair, a trumpet call marked the beginning of the sit-down portion of the dinner, with eight guests and two waiters per table.

The meal began with the second course, called "Overture 'California,'" which looked like a bird with spokes of white endive jutting from a center of smoked salmon, salmon tartare and marinated artichoke bottoms.



Green and white asparagus spears were tied with a carrot ribbon and placed on a bed of puree and sabayon.

Donors to the Dinner of the Century

Food Donors:

- Alaska Seafood Marketing Institute
- Burhops Fish & Seafood
- C & D Duck
- Haco Swiss c/o Midwest Imports
- Herbs for All Seasons
- John Sexton & Co.
- Kingsville Fisherman's Co. Ltd.
- Kraft Foodservice
- L. J. Minor Corp.
- New City Packing & Provision
- The Perrier Group
- Procter & Gamble Foodservice & Lodging Products, Inc.
- Sebastiani Vineyards
- Supreme Lobster Co.
- Turner Fisheries
- Wilson Foodservice Co.

The Dinner Of the Century

Other Donors:

- The wine glasses, crested especially for The Dinner of the Century, were compliments of Libbey Glass.
- The commemorative plates, created expressly for The Dinner of the Century, were compliments of Syracuse China Company.
- The souvenir napkins were compliments of Artex International, Inc.
- Plants and decorative greenery were compliments of Floral Fashions.

California's Finest Wines for the Dinner of the Century

Course I
Schramsburg Brut Champagne
Mirassou Au Naturel Champagne

Course II
Robert Mondavi Fume Blanc
Vichon Chervier Blanc

Course III
Chateau Julien
Angelo Papagni Finest Hour Dry Sherry

Course IV
Monterey Gamay, J. Lohr
Gamay by Charles Shaw

Course V
Alexander Valley Vineyards Gewurztraminer
Hacienda Vineyards Gewurztraminer

Course VI
Ventana Vineyards Chardonnay
Acacia Chardonnay

Course VIII
Durney Vineyards Cabernet Sauvignon
Jordan Cabernet Sauvignon '80

Course IX
Thomas Fogarty Pinot Noir
Calera Pinot Noir

Course X
Wente Brothers Johannisberg Riesling Late Harvest
Sarah's Vineyard 1982 Johannisberg Riesling Late Harvest

Course XI
Ficklin Port
Quady Port

"The wine for the Dinner of the Century was the finest California had to offer," boasts NRA Treasurer Ted Balestreri, president and co-owner of the Sardine Factory in Monterey, CA. Balestreri selected the 20 wines that accompanied the gala meal with three other wine connoisseurs: Fred Dame, considered by many to be the top sommelier in the country; General Manager of Durney Vineyards David Armanesco, Commander of the Knights of the Vine; and Danny Iliscupidez, director of the beverage for the Sardine Factory.

"We received the menu first and then chose the best wines of their particular kind for each course. We also tried to select two different styles for each wine." Every winery but one agreed to donate the selected wine for the dinner. The one winery abstaining did so because it didn't feel the wine was ready to be released.

Lined up in formation, the dishes looked more like a colorful tapestry or geometric painting than serving plates for a meal.

"Loin of Lamb Wyoming" may bring the U.S. Culinary Team a gold medal in Frankfurt, Germany, this October.

Fighting the high humidity, Team Member Lars Johansson coaxed along pulled sugar flowers and leaves for the centerpiece.

The third course, "Essence of Rocky Mountain Black Bear Claw," was a savory soup appetizer accompanied by an attractive, edible tortilla basket filled with garlic sticks, puff pastry and potato dumplings.

The fourth course, "Sauted Duck Liver 'Hudson Valley,'" took the menu to the East Coast. It featured duck livers from white Peking ducks, which overeat and produce livers weighing two and three pounds. These livers were sliced, sauted and deglazed with Madeira, then garnished with leeks and small pears poached in wine.

The fifth course, "Supreme of Michigan Asparagus," looked like a white, green and orange still life. Green and white asparagus spears were tied with a carrot ribbon and placed on a bed of white asparagus puree and vegetable sabayon.

The sixth course, "Jewels of the Sea 'Ole Miss,'" concluded the first half of the meal with a picturesque combination of seafood sausage; lobster and crabmeat, delicately flavored with a mustard butter sauce; and tiny, flame-red crayfish "caught" in a puff pastry trap. This dish may go to Frankfurt.

A palate refresher came next. "Sorbet of Passion Fruit 'Arizona'" was breathtaking. Half of a passion fruit was filled with a tangy ice, centered on a galax leaf and accompanied by sugared grapes and banana slices.

The eighth course, "Loin of Lamb 'Wyoming,'" may bring the U.S. team a gold medal in Frankfurt. Center cuts of boneless lamb rack enveloped a delicate spinach-flavored stuffing. They were served with a variety of miniature garden vegetables, black-eyed peas and a cheese-flavored noodle custard pie and sauce. The eye of loin was wrapped in forcemeat made from lamb scraps not normally served. This made it possible to feed three times the number of people—not for economic purposes at the dinner but to illustrate total usage. "Most restaurants go bankrupt in the garbage can; that's why we totally use our products," Schneider explains.

The ninth course, "Floral Salad 'Kentucky,'" featured marinated lettuce leaves in a marinated tomato and was accompanied by a light goat cheese souffle. This dish, too, is a likely candidate for Frankfurt.

The tenth course, "American Black Walnut Cream," was the first of two desserts. It was served in an almond-flavored wafer shell with bourbon sauce. The grand finale was a plate of petits fours.

On to Frankfurt . . .

With only one more practice session left, the U.S. Culinary Team is counting down to the most prestigious international food contest. But it comes well prepared—with more practice sessions, greater industry awareness and support, and an increased sense of team spirit. "It's spirit, timing and teamwork that makes an event," concludes Team Captain Schneider. Other important qualities that can spell the difference between success and failure are ability to function under pressure and to make last-minute decisions. From the preview at the Dinner of the Century, the U.S. Culinary Team is well equipped, indeed, to win gold medals for the U.S.

Show attendees see U.S. Culinary Team in Action

When the last of the 11 courses of the Dinner of the Century was served, the U.S. Culinary Team started planning their next meal. Contributors to the U.S. Culinary Team Foundation, who donated $1,000 or more to the team, were treated to an elaborate Culinary Team luncheon, prepared in the demonstration kitchen at the NRA Show.

While the guests gathered with anticipation, hundreds of Show attendees were being served the treat. They stood outside the glassed-in demonstration kitchen, watching some of the top chefs in the country work in unison preparing the three-course luncheon. "This is a rare opportunity," remarked one of the onlookers. "I seldom get to see a chef of this caliber at work. To be able to watch six working together on one meal is something I'll remember."

Six of the U.S. Culinary Team chefs prepared the luncheon for approximately 50 contributors. The luncheon included a fresh mixed fish salad, Lamb Santa Fe and almond mousse—each course developed by the team and served at previous competitions.

Introducing the U.S. Culinary Team

Team Manager

- **Ferdinand Metz,** Culinary Institute of America, Hyde Park, NY

National Team

- **Marcus Bosiger,** Westin Galleria, Houston, TX
- **Daniel Hugelier,** Schuler's Inc., Marshall, MI
- **Lawrence "Tim" Ryan,** Culinary Institute of America, Hyde Park, NY
- **Richard Schneider**—TEAM CAPTAIN—Silver Lake Inn, Clementon, NJ

Regional Team

- **Siegfried Eisenberger,** Opryland Hotel, Nashville, TN
- **Mark Erickson,** Culinary Institute of America, Hyde Park, NY
- **Jeffrey Gabriel,** Sugarloaf Resort, Cedar, MI
- **Victor Gielisse,** Westin Hotel Galleria Dallas, Dallas, TX
- **Hartmut Handke,** Athletic Club of Columbus, Columbus, OH
- **Raimund Hofmeister,** Century Plaza, Los Angeles, CA

Pastry Team

- **Gunter Heiland,** Dupont Hotel, Wilmington, DE
- **Lars Johansson,** Johnson & Wales College, Providence, RI
- **Helmut Loibl,** Culinary Institute of America, Hyde Park, NY

14 apprentices, including the winner of the Student Hot Food Competition held during the NRA Show— **Caroline Clay Comb** of the Columbus Athletic Club in Westerville, OH.

1980s Industry Trends:

The decade of the '80s is shaping up far differently from the 1970s, according to Barbara R. Caplan, vice president of Yankelovich, Skelly and White, who spoke at the American Express Briefing Breakfast held during the NRA Show. Caplan reviewed the results of a survey conducted by her firm for American Express.

The 1980s have brought more selectivity when it comes to eating out, she said. With economic recovery consumers are indeed spending more—but it is to get more. Dining out is viewed by the patron as a reward, a pleasure and a practical solution to time and effort constraints.

Caplan identified eight major forces that will help shape issues affecting the restaurant industry.

1) The new realism/reduced expectations

There is a tempering of traditional American optimism regarding unlimited personal and national growth and a new maturity which recognizes the virtues of self-discipline. In counterpoint to the freewheeling spending of the '70s, there is more willingness to forego some present whims for future benefits without symptoms of deprivation. As a result, consumers tend to scrutinize their discretionary spending.

Eating out in the '80s is seen as a centerpiece of the leisure ethic. Although it is tied to our lifestyle, it must be perceived as a value both in tangible and intangible terms.

2) Cost effectiveness—the new overriding goal

In the '80s, there is a new pragmatic emphasis in almost every area of American life—government, business and the private sector. The cost of a product or service is understood not only in terms of the dollar amount but also in terms of time and effort expended. Today's consumer requires the quality to be commensurate with the price.

3) Quality—the ticket of admission

Don't mistake quality as simply a popular buzz word. The consumer of today is really looking for it. The general philosophy is to consume "better" not necessarily more. Although quality is subjective, each consumer will develop personal benchmarks.

4) The rise of local identification

Smaller individual units are becoming increasingly popular. The reasons for this are diverse: political and economic decentralization, greater control of public policy issues (for example, drunk driving) and the cementing of relationships found in smaller establishments.

The industry implications include greater pride in local cuisines, more success with advertising and promotion targeted to local audiences, and communication strategies that are truly responsive to customer needs.

The 50+ population should not be overlooked. They command three out of every 10 discretionary dollars.

an overview

5) The continuing commitment to health and fitness

Here a trend is continued. More attention is being shown to food and beverages as a central theme to long-range health maintenance. Overindulgence is no longer chic, which is reflected in a decline in the consumption of alcohol and beef and an increase in the consumption of fresh foods.

Patrons are also voicing concerns about such food items as sodium and cholesterol and are generally more interested in food issues. Restaurants are beginning to reflect these new concerns and will be asked to be even more responsive in the future.

6) Renewed interest in the home

There is a new focus on the home in the 1980s, which may encourage people to eat more meals at home. The consumer of the 1980s considers home an investment, which reflects his or her values, renews relationships and is a sanctuary from the stress and exhaustion of upward mobility. Add to this the appeal of personal computers, cable TV, VCRs and other technology, and a very real challenge for the restaurant industry emerges. Increased marketing and advertising becomes even more important now to draw customers. Gourmet take-out is one way to capitalize on this trend.

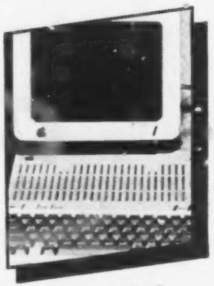
7) Maturation of women's movement

There has been a change from "same but equal" to "equal but different" in the women's movement. Women now realize that emancipation is no longer equivalent to kitchen incompetency. Liberation permits cooking—as long as it's an option and not a duty. This feeling reinforces interest in the home, and both men and women are more active in the food area. The routinized meal is a thing of the past. Convenience is still uppermost, but a greater choice of options is proliferating from specialty stores and new frozen foods to upscale fast food establishments.

Restaurants must sort out menus to offer the best of the "old" as well as the best of the "new" to appeal to the more sophisticated consumer.

8) Return to wit and wisdom

There has been a rediscovery of the values of tradition, heritage and experience. This has implications on three levels: the need for new marketing strategies, the use of a humanistic managerial approach to enhance employee commitment and customer satisfaction and, finally, the opportunity to leverage a long-standing respected name as an asset.



It was clear that computer software has matured.

This year health foods and desserts came together in ice cream desserts: some were made of tofu; others of fruit juices.

SHOW FLOOR

Tracking innovations

No one has a more vested interest in keeping track of innovations and trends in the restaurant industry than foodservice suppliers. Walking the exhibit floor from year to year, with a keen eye on what exhibitors are selling and how they are selling, paints a clear picture of industry trends and challenges.

Tracking the number of suppliers in a particular product area can tell you whether a product is hot or on its way out. When the number of mesquite grills displayed on the exhibit floor jumped this year, mesquite crossed the line from innovation to trend. When the displays of wine nitrogen replacement units increased from one in 1982 to nearly 10 this year, it became part of the mainstream. A few years ago, rumbles suggested that the salad bar was a thing of the past. A walk through the exhibit floor this year indicated it is not so. Salad bars were everywhere and in such variety that they could meet requirements of any operation.

Trends could even be discovered among long-time exhibitors. Coffee suppliers displayed a fast-expanding movement in the industry: the rise in sales of brewed decaffeinated coffee. According to coffee suppliers, foodservice sales of brewed decaffeinated coffee has increased from 15 to 30 percent in the last three years.

Computer exhibitors have been represented at the Show in large numbers for well over five years, but innovations and trends continue to surface among their ranks. It became clear this year that the computer software has matured and can offer foodservice operators the sophistication they demand. A quick survey of the exhibit floor also illustrated that the computer has permeated every segment of the industry. Innovative computerization could be seen for everything from cutting and dicing machines to beverage dispensers. But probably the most unique innovation was a computerized talking dishwasher. We'll be looking—and listening—for the talking dishwashers next year.

Tracking *how* exhibitors promote their products can be just as informational as following *what* they are selling. A close examination of the marketing claims used by suppliers at the Show can uncover a realistic list of industry concerns. "Convenient," "efficient" and "time saving" found their way into the majority of equipment sales claims. Today's "convenience" and "efficiency" claims not only focus on the chefs and cooks but also have expanded to include the dishwashers and busboys. From stoves and preparation equipment to dishwashers and mops, convenience and efficiency are strong marketing tools in an industry with high labor costs and an eye on productivity levels. "Waste control" was also at the top of the list of sales claims—not surprising in today's competitive marketplace where discounting and couponing have put a squeeze on profit margins and operators are searching for techniques to cut costs.

SHOW FLOOR

Food—the best of the old and the new

There were more than a dozen first-time specialty food exhibitors—from caviar importers to chocolate chip cookie makers.

The foods at the NRA Show were vivid, simple, natural, elegant, innovative and convenient.

Perhaps in response to America's continued commitment to health and fitness, many foods promoted their fresh, natural, simple and lite qualities. Fresh approaches, for example, were suggested for the apple—dipped in beer batter and fried, included in cole slaw and vegetable combinations, added to meatloaf in the form of applesauce and used to poach fish fillets in the form of apple cider.

Fruit and fruit juices of various kinds were a basis for many products resulting in whipped fruit juice drinks, frozen fruit whips and glaces.

Many familiar items were given a new twist. Green salad was dressed with a vinaigrette made of strawberries and honey blended with the traditional oil and vinegar. Yams were served fried with a sprinkling of sugar or raw with a vegetable dip. Even the peanut was given a more elegant look in its inclusion in a variety of haute cuisine recipes, notably snails with peanuts, and shrimp with peanut fettucini.

For those looking for imported flavor, there were pates (coarsely or finely ground), stuffed and frozen escargots and packaged mousse and souffle mixes that could be used to make the desserts simply by adding milk or water.

For those looking for a few ideas to support their main courses, there were lots of ideas—from specialty items to salads. Available salad choices included artichoke, mushroom, pasta, meat-filled tortellini, antipasta or mixed vegetables, to name a few.

There was even a solution for leftovers—keeping a trayful of frozen sauce cubes in the freezer that can be popped out and heated when needed.

One of the most unusual innovations making its debut had to be the non-dairy frozen dessert made from tofu—soy bean curd. It came in a number of flavors that ranged from vanilla and chocolate to maple walnut and wild berry.

In short, the food at the Show was a grand collection of the best of the new and the old, mirroring the consumer trend of combinations.

SHOW FLOOR

New items for catering, gourmet carryout

The rapidly growing catering, carryout and gourmet segments are beginning to find more suppliers concerned with their business. And the trend promises to continue if lifestyle predictions are correct that an increasing number of consumers are opting to enjoy high quality food items and meals in their homes—at least on an occasional basis.

Activity on the NRA Show floor this year reflected this development—both in the numbers of exhibitors catering to the new industry needs and the volume of attendee interest.

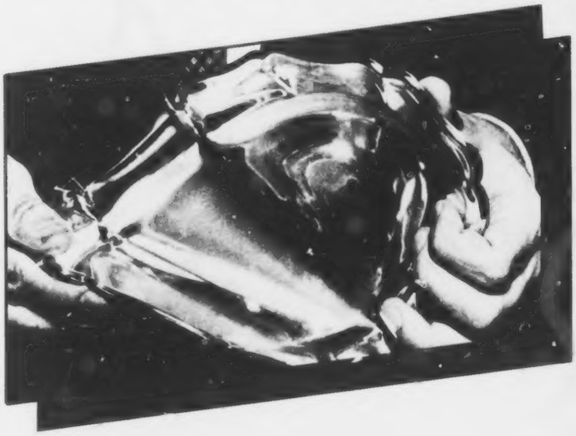
More specialty foods . . .

In the area of specialty food items, there were more than a dozen first-time exhibitors, from caviar importers to chocolate chip cookie makers, who all mentioned that they felt the time was right for their products to be introduced to the foodservice industry. Some of the exhibitors had previously restricted their marketing efforts to specialty shows and the consumer marketplace, but they all said they were now ready to help operators spruce up their menus to cater to the quality-conscious consumer of the '80s.

One first-time exhibitor featured the French chocolate Valrhona that is available from extra bitter to white and in several different forms, including shavings and fillings. The distributor was equipped with a client list and press clippings to underscore the quality of the line.

Another first-time exhibitor also seemed to be concerned with sharing printed materials about its products: Company representatives distributed a newsletter to all those stopping at the booth. The newsletter contained recipe ideas and serving suggestions for its line of specialty oils, mustards, savories, brandied fruits and sweet sauces. Like most suppliers of condiments and other specialty items, this exhibitor had its products available in institutional portions—a packaging idea that

New silver look-alike platters were introduced at the Show. They can be bent and returned to their original shapes.



makes the items more cost-effective for large-volume purchasers, such as restaurant operators. Most suppliers also have considered distribution and mailing and easily suggested optimal methods for delivery.

Educating the Showgoer about serving possibilities seemed to be a new trend on the Show floor. One returning exhibitor, with a well-known line of pates, explained why he decided to offer menu ideas and display options. He said that in the past operators were not familiar with his product so he simply distributed samples. Now that many restaurateurs are educated about the quality of the pates, the time has come to show them how to use these items on their menus. Thus several plates of assorted pate arrangements were next to the sample trays.

Not enough packaging options . . .

There were fewer new offerings in the equipment and packaging end of the business, suggesting that caterers and carryout operators need to be more vocal about their needs. One exhibitor, who offered an attractive line of leak-proof containers with lids, only made them available in small lots of three—one half-pint, one pint and one quart containers. When asked if he could repackage his product for large volume orders, he thought for a moment and said that he had never thought of the possibility but that it could be done.

For those operators whose products lend themselves to storage or transport in pouches, there were varieties that provided a total barrier to air, moisture and odor transfer. Most of these were heat sealable, and some were ready-made for marketing as operators can afix a customized company logo unto the bag.

There were a few new serving pieces that lent themselves to the catering and carryout sectors. A highpoint was a line of metalized plastic platters that look like heirloom silver but can be bent and returned to their original shape with no damage. The platters are sturdy enough to be used a dozen times and inexpensive enough to be disposable. They come in large ovals, lazy Susans and octagonal shapes. The exhibitor suggested they can help reduce the high cost of theft.

There were recipes and serving suggestions for some of the products.

SHOW FLOOR

Ethnic foods are here to stay

Ethnic cuisine has fast become a favorite with the American diner. Well over 30 exhibits at the Show attested to this fact.

Whether used as a vehicle to entice patrons to try new items or launched as a new corporate venture, much excitement has been generated by the addition of ethnic foods. Customers crave these products, and many companies are responding to this need by adding an ethnic line to their primarily American foodservice divisions or adding specific ethnic items to the restaurant menu.

SINGLE PORTION
MEXICAN SAUCES
AUTHENTIC TASTE!

Mexican foods continue to grow in popularity.

Mexican . . .

A walk around the Show floor seemed to indicate the predominance of Mexican cuisine. Everything from cheddar cheese sauce and guacamole dip to tacos, jalapeno peppers and salsa won the affection of Showgoers from all segments of the industry.

For the operator that wanted to add an entire array of Mexican products to his foodservice operation, there were companies that offered advice on how to begin.

Two large American foodservice corporations that recently acquired Mexican lines have produced brochures, flyers, table tents and cookbooks that espouse the many advantages of serving Mexican cuisine. One company even introduced its Mexican line at the Show by serving tacos to interested Showgoers at the rate of 8,000 per day.

A benefit of Mexican food is its low cost. One company that is banking on this important point compared Mexican food costs with other types of cuisine to demonstrate its cost-effectiveness.

Another company that traditionally catered to the Hispanic community has expanded its line to cater to the new American fondness for tortilla chips, salsa and guacamole. Operators were able to sample these products to learn that Mexican food is the same food they have always eaten, just put together differently. The company also convinced attendees that Mexican food need not be hot or spicy. Newly developed sauces are labeled hot, medium and mild for those with timid tastebuds.

And, Showgoers interested in adding an ethnic item to their operations, but can't decide which one, can try Mexican lasagna—a marriage of two popular cuisines.

Italian . . .

Satisfying the desire for Italian food is not an easy task. Unlike the marketing efforts of Mexican food companies where customer acceptance is very important, Italian food companies are dealing with a different set of givens. They already have the customers. Their problem is how to keep them with the myriad of new items that continually appear on the market.

The Show floor was chockfull of answers. Attendees were able to watch pasta cooking demonstrations from an Italian company that markets a machine run by one person that makes pasta, keeps it warm and heats sauces—all in 10 minutes.

One company has launched a line of frozen Italian entrees that can easily be added to any menu or foodservice operation. With a keen eye to future customer demands, no salt and low-sodium entrees were also available.

And if pasta was all a Showgoer wanted, exhibitors provided a choice of freshly made or frozen, white or green, thin or fat, squiggly or straight.

Oriental . . .

Attendees learned that customers don't have to visit a Chinese restaurant to enjoy traditional Chinese fare. One exhibitor produces everything necessary to serve these foods in any operation from such staples as won ton soup and egg rolls to entire dinners and banquet trays with all the trimmings.

Despite its centuries old origin, sushi—a Japanese food consisting of rice and raw fish in a seaweed wrapping—made its debut this year at the Show. A frozen seafood distributor used it with a twist to creatively get people to sample its products, substituting cooked shrimp for the raw product. The idea was a tremendous hit.

Japanese sushi made its debut this year at the Show.

Greek . . .

Perhaps the newest ethnic food to gain attention with American diners and foodservice operators is the Greek gyro stuffed in pita bread, garnished with tomato and onion and topped with a blend of yogurt, sour cream and fresh cucumber bits.

Showgoers eager to add variety to their selections discovered that this item is extremely versatile. It goes with any type of foodservice and appeals to a customer's sense of adventure.

In addition to the gyros, exhibitors offered a wide range of Greek foods from appetizers, such as spanakopita (a feta cheese spinach pie), to deples (crisped rolled egg pastry, dipped in honey and cinnamon) for dessert. Many of these specialties are fully cooked and frozen, cutting operator prep time.

Marketing menu additions . . .

For the operator who is not ready to add an entire section of ethnic dishes but desires to spice up his offerings, there are still plenty of ways to do so.

Often seasonings, sauces or the addition of one or two items can transform a dish and give it an ethnic flair. Some Show exhibitors demonstrated how this can be done.

At one booth Showgoers were able to choose from different recipe cards that showed how different uses of cheese and eggs can turn a typical meal into an ethnic treat.

At other booths, exhibitors displayed packets of seasonings that could add an exotic flavor to chicken, chili or vegetable dishes.

EDUCATIONAL SESSIONS

The wit and wisdom of Wayne Dyer

How can you change your attitude toward living? How can you be happy? How can you achieve any goal you set for yourself?

"Just do it," demanded Dr. Wayne Dyer, psychotherapist and best-selling author of *Your Erroneous Zones, Pulling Your Own Strings* and *The Sky's the Limit.*

Dyer presented these views during a special two-and-one-half-hour program that was chockfull of insight for living the life you choose for yourself.

"You become what you think about all day; and if you view yourself negatively, then that is how the rest of the world will see you," Dyer emphatically stated to the standing-room-only audience.

Dyer's philosophy of living can be directly related to employee training as well.

"Don't expect an employee to learn something by watching," he said. "A person must actually perform a task himself to fully understand how it should be done.

"If an employee is continually told that he isn't doing something correctly, he will believe it and never perform satisfactorily."

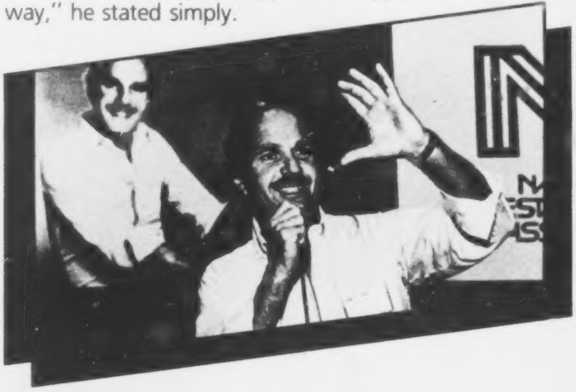
Dyer also cautioned the audience to look inward for success and happiness and not to look for it in the workplace. "If you think you can get success out of your restaurant," he warned, "it will never happen. You'll always want more, and your life will become one of striving."

"I want to give you some statistics," he continued. "If 100 people are monitored for 40 years—until age 65, one person will be independently wealthly, four will be well-to-do, 40 will be getting along but will need some type of financial help, and 55 people will be broke.

"How could this happen?" he rhetorically asked. "People think in ways that don't allow them to become wealthy. You must change the picture in your mind. Be positive. If you picture a situation, then that picture can become a reality."

"Let success and happiness chase you," Dyer told the audience. "Stop looking to the external environment as a source of fulfillment."

"There is no way to happiness. Happiness is the way," he stated simply.



"Let success and happiness chase you," advised Wayne Dyer.

EDUCATIONAL SESSIONS

The one-minute manager

Ken Blanchard discussed his ABCs of Management.

"Your employees are your most important assets," declared Ken Blanchard, Ph.D. author of the best-selling *One-Minute Manager* and its exciting sequel, *Putting the One-Minute Manager to Work,* but they don't believe it and neither do you."

Then Blanchard noted, "The most popular form of management today is for managers to say nothing when an employee does something right and to reprimand an employee when he does something wrong. That is why so many employees are non-productive."

A gradual murmur moved through the audience as attendees identified with Blanchard's examples of management inconsistency.

Blanchard did more than identify the problems, however. He also offered a solution—a tool for improving employee performance, called the "ABC's of Management."

Participants listened intently to industry leaders and management experts in the seminars, theaters and clinics.

There are three parts to the ABC's of Management: activator, behavior and consequence.

Activator is a term used to describe what a manager does before a task can be accomplished. This involves setting goals that are specific and realistic to enable employees to know what is expected of them.

Behavior refers to an employee's performance after the goal is set. Behavior must be observable and measurable and can cover a wide range of activities from writing reports to making mistakes.

Behaviors lead to consequences, Blanchard's third step of management. This term refers to the way a manager reacts after employees have accomplished or attempted to accomplish a goal. Consequences can include praising or reprimanding but must occur immediately after the behavior is performed to have the intended effect.

To add lightness to an information-packed program, Blanchard related conversations he has had with hundreds of managers and employees that depict the kind of behavior he believes is prevalent in American management today.

NRA members bring shopping lists to the show

Whether it's a tomato slicer for their chef or a donut machine for their customers, most NRA members take home at least one new product lead or idea from the NRA Show. Often the product is one they have deliberately added to their list of "must see" items. But sometimes there is something unexpected that catches—and holds—their attention.

This year that something extra for Fred Eberhardt owner of Eberhardt's Inn in Richmond, MI, was an oil extender that can stretch the life of frying oil about 15 times and a new coffee grinder that cuts coffee rather than grinds it. Eberhardt chanced upon the coffee grinder during his search through the exhibit floors, but he heard about the oil extender on a shuttle bus trip to his hotel. The next day he went to the booth to get more details.

For most Show attendees the exhibit floor is not for casual browsing. More than 6,100 products exhibited on three floors is enough to overwhelm even the most organized shopper. Tom Martin, director of clubhouse operations for the Wellington Club in West Palm Beach, FL, quickly learned that the browsing approach is not the most productive. Now he makes himself an agenda of things to do and see, and then covers every inch of the exhibit area with his agenda in hand. It's an approach that made it easy for Martin to look for pressure cleaners and hot dog cookers and a lemon wedger requested by his chef.

What's so special about shopping at the Show? "It's so much easier to compare products when they are side by side," says Reid Ashton, president of The Golden Mushroom in Southfield, MI. Ashton, who has been going to the NRA Show for several years, usually looks for ideas for his fine dining establishment. This year he also went to shop for items for the cocktail lounge he is opening in a shopping center and to iron out some problems with his electronic cash register system. Ashton reviewed liquor pour systems, wine display and merchandising units and new china patterns. He solved his computer problem by talking it over with the company representative. And he was intrigued by a glass etcher that could be used to customize glasses for special occasions or regular customers.

NRA Member Reid Ashton reviewed items for his fine dining establishment.

Hubert Oberst, president of Dupar's Restaurant, a family-style restaurant chain in Encino, CA, agrees that the show was a success. It's not every year that some new item is developed and stirs up excitement, he adds, but there are ideas to be picked up here and there. This year's ideas included a round salad bar and new salad dressings. "From beginning to end the Show was exciting," he says, summing up the feeling for most Show attendees.

8 Congressmen see the Show

Among the thousands of visitors that thronged the NRA Show this year were eight congressmen, all members of the House Travel and Tourism Caucus. They sampled freshly baked bread and new potato products, inspected the latest in computer software; attended new product demonstrations, participated in an NRA political education forum and dined in some of Chicago's finest restaurants.

Like many first-time Show-goers, they were struck by the size and diversity of the industry, and they expressed a desire to return again. Best of all, they carried back to Washington a greater understanding of the restaurant business.

"The NRA's trade show was the best I've ever attended. It was also the most interesting and informative," remarked Rep. Toby Roth (R-WI). "I thought the exhibits were spectacular," said Rep. Don Ritter (R-PA). "After looking at the trade show, I realized for the first time what a powerful force the restaurant industry is to our economy," he continued.

"It was truly a worthwhile opportunity for us to learn about a major American industry and for the National Restaurant Association to learn more about Congress," summed up Rep. Donald Pease (D-OH).

In addition to Reps. Roth, Ritter and Pease, Caucus Chairman Bill Boner (D-TN), Vice Chairman Robert Badham (R-CA), and Reps. Norman Lent (R-NY), Mickey Leland (D-TX) and Daniel Akaka (D-HI) were NRA's guests during two days of the Show. The congressmen met with NRA Board members, briefed the NRA's Political Education Committee on the activities of the caucus and dined with restaurant association executives from their states.

The eight caucus members were the first organized delegation from Capitol Hill to attend the NRA Show. Judging from their comments, it was a resounding success.

- "Not only did we thoroughly enjoy our visit to the Show, but more importantly this event offered us a valuable opportunity to broaden our understanding of issues of vital importance to the travel and tourism industry." —Rep. Daniel Akaka.
- "I was pleased to see such a prestigious organization recognizing the distinct need in our economic system to develop closer communications and ties with political leaders."—Rep. Robert Badham.
- "I thank the association for including the Travel and Tourism Caucus in its plans. I hope the NRA will continue to work on similar political education programs." —Rep. Bill Boner.
- "I was very pleased that I was able to attend the Show. I think it's a wonderful idea that the association is keeping in touch with members of Congress and other elected officials." —Rep. Mickey Leland.
- "It was one of the best organized and finest run conferences I have ever attended. NRA's Show goes down in my book as a truly memorable experience." —Rep. Norman Lent.

Congressmen enjoy their first visit to the NRA Show. Here they are talking to an exhibitor at the Hobart Corporation booth.

Press leaves Show with stories

Approximately 450 members of the consumer and trade press also attended the NRA Show. And 66 turned out for a press conference on NRA's Alcohol Awareness Program held on the second day of the Show.

"Some of these people write for the wires. Their stories are picked up by hundreds of daily papers and radio stations all over the country. Four TV networks also covered our activities. In effect, a large segment of the national population is learning about our industry each year during the NRA Show," says Harris "Bud" Rusitzky, chairman of NRA's Communications Committee.

These media reps are largely interested in new trends in foodservice. This year NRA staff guided them to booths displaying sushi, tacos and "lite" potatoes; pasta machines, carryout supplies and computer systems; and new restaurant furniture, lighting systems and restaurant signs—anything that showed responsible, new developments in our industry.

The NRA staff also arranged three press conferences for the media. Results of new NRA research on demographics were released. Later that day, the association's new officiers discussed their plans for the year. The largest crowd attended a briefing on the industry's response to drunk driving.

Microphones from five broadcast systems were attached to the podium, and three TV crews filled the press room. Outgoing President Joe R. Lee outlined NRA's programs for consumer education, server trainer and reexamination of alcoholic beverage service practices.

"No action on the part of foodservice operators alone can resolve the problem of drunk driving," Lee told the crowded room. "Restaurants and taverns dispense only one quarter of the alcoholic beverages consumed in the United States. But we believe we can and should help. We are joining with other organizations and individuals across the country in doing our part to clear streets and highways of intoxicated drivers."

Lee's message made headlines. The media told readers and viewers everywhere that foodservice operators were taking action to help reduce drunk driving.

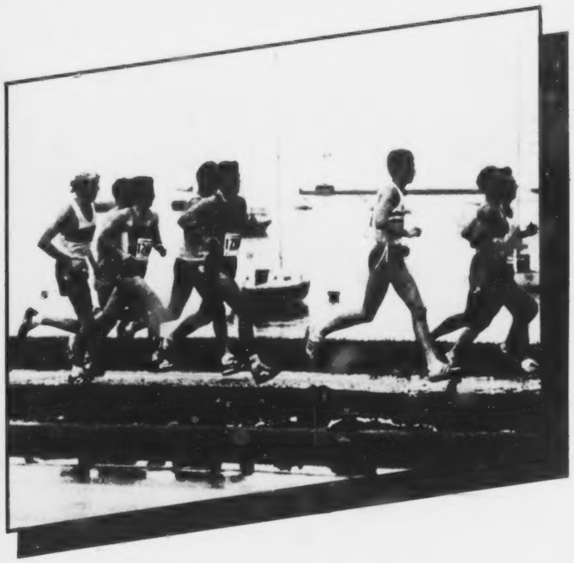
Annually, NRA contacts, press releases and press conferences generate 4,500 articles on the foodservice industry. Twenty percent of these stories originate at the NRA Show.

Outgoing NRA Chairman and President Joe Lee introduces NRA's Alcohol Awareness Program at a press conference.

The Main Course

Industry spotlight on health and fitness

THE MAIN COURSE 10K RACE
SPONSORED BY THE NATIONAL RESTAURANT ASSOCIATION



Each year several thousand people put on their running shoes and head to Chicago's lakefront. Half of these runners are NRA Show participants; the other half are Chicago-area residents who come to take part in the "most hospitable race." Besides the thrill of competition and the prizes, The Main Course is a valuable industry public relations tool. It underscores the foodservice industry's commitment to health and fitness.

Two Chicago-area residents led *The Main Course* runners to the finish line: Dan Riley of Niles and Betty Johnny of Chicago came in first in the overall men's and women's divisions, clocking in at 31:25 and 37:48, respectively.

Introducing AMERICA'S MASTER CHEFS

Ferdinand Metz

Hartmut Handke

Richard Schneider

by Carol Caprione

There are 15 Certified Master Chefs (CMC) in the United States. This designation, acknowledged worldwide, represents the highest recognition a professional chef can attain. Europe, which has been implementing the master certification program for over half a century, has thousands of Certified Master Chefs. But the United States is a newcomer on the scene—first offering the title in 1981.

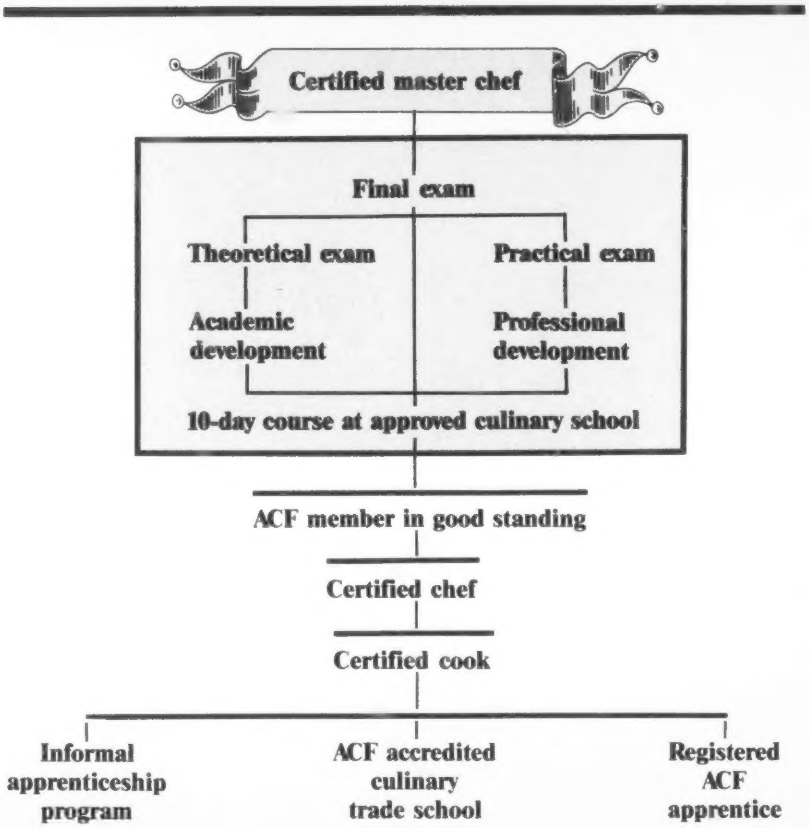
Who are America's 15 Certified Master Chefs? . . .

The 15 CMCs are highly trained individuals who are deeply dedicated to their profession. They range in age from 36-year-old **Anthony C. Seta,** director of food, Mother's Restaurants Limited in Burlington, Ontario, Canada with United States franchises, to 58-year-old **Leopold K. Schaeli,** corporate executive chef, Harris O. Machus Enterprises, Inc., Birmingham, MI.

The other 13 Certified Master Chefs are

- **Byron J. Bardy**
  Manager, new products
  research and development-USA
  Division of H.J. Heinz Co.
  Pittsburgh, PA
- **Heiko C. Bendixen**
  Executive chef
  Casino Hotel
  Bally's Park Place
  Atlantic City, NJ
- **Milos Cihelka**
  Executive master chef
  The Golden Mushroom
  Southfield, MI
- **Dieter H. Doppelfeld**
  Chef-instructor
  Anchorage Community College
  Anchorage, AK
- **Bruno Ellmer**
  Chef-instructor
  Culinary Institute of America
  Hyde Park, NY
- **Anton Flory**
  Executive chef
  The Topnotch Dining Room
  Stowe, VT
- **Hartmut Handke**
  Chef de cuisine
  Athletic Club of Columbus
  Columbus, OH
- **Roland Henin**
  Chef-instructor
  Culinary Institute of America
  Hyde Park, NY
- **Dieter H. Kiessling**
  Executive master chef
  Pinehurst Country Club
  Denver, CO
- **Ferdinand E. Metz**
  President
  Culinary Institute of America
  Hyde Park, NY
- **Moshe Nograd**
  Curriculum director and
  dean of faculty
  Johnson & Wales College
  Providence, RI
- **Richard E. Schneider**
  Chef de cuisine
  Silver Lake Inn
  Clementon, NJ
- **Fritz Sonnenschmidt**
  Educational department head
  Culinary Institute of America
  Hyde Park, NY

Career Ladder for Master Chef Certification


Certified master chef
Final exam
Theoretical exam
Practical exam
Academic development
Professional development
10-day course at approved culinary school
ACF member in good standing
Certified chef
Certified cook
Informal apprenticeship program
ACF accredited culinary trade school
Registered ACF apprentice

The Certified Master Chef (CMC) program is one more important step in giving American chefs long overdue recognition. As little as 20 years ago, Americans did not know the difference between a cook and a chef and considered food preparation to be a lowly profession. Today, the title and image of chef enjoy a much higher status, thanks to the CMC program as well as increasingly gifted graduates of culinary schools and the first-rate showing of the American Culinary Team at the 1980 International Culinary Competition.

Only three CMCs are American trained: Bardy, Seta and Schneider. Six received their training in Germany: Bendixen, Doppelfeld, Handke, Kiessling, Metz and Sonnenschmidt. Two—Ellmer and Flory—received their training in Australia. Other countries represented include: Czechoslovakia—Cihelka, France—Henin, Israel—Nograd, Switzerland—Schaeli.

Thirteen went through the CMC examinations in this country. Two—Bendixen and Nograd—received master certification in Europe and were accepted as part of the U.S.-European reciprocal program.

The professional interests of the group vary. Seven CMCs are culinary instructors. Four—Ellmer, Henin, Metz, Sonnenschmidt—teach at the Culinary Institute of America (CIA) in Hyde Park, NY. Anchorage Community College in Anchorage, AK, claims one CMC—Doppelfeld—as does Johnson and Wales College in Providence, RI—Nograd. Bardy teaches part-time at Allegheny Community College in Pittsburgh.

Six are executive chefs—Bendixen, Cihelka, Flory, Handke, Kiessling and Schaeli—at establishments that range from white tablecloth restaurants to country clubs, athletic clubs and hotels.

The remaining three—Bardy, Schneider and Seta—are, respectively, manager of new products research and development; owner and chef de cuisine of his own restaurant; and director of food.

Three have authored books on food topics—Henin, Metz and Sonnenschmidt.

Three are members of this year's U.S. Culinary Team: Schneider, who is captain of the team; Metz, who is team manager and Handke, who is a regional team member. Two more will be in Frankfurt in October for the International Culinary Competition: Cihelka and Kiessling. Six have won medals for the U.S. in the past—Cihelka, Ellmer, Handke, Metz, Schneider and Sonnenschmidt. And at least one has his eyes on future competitions: Seta.

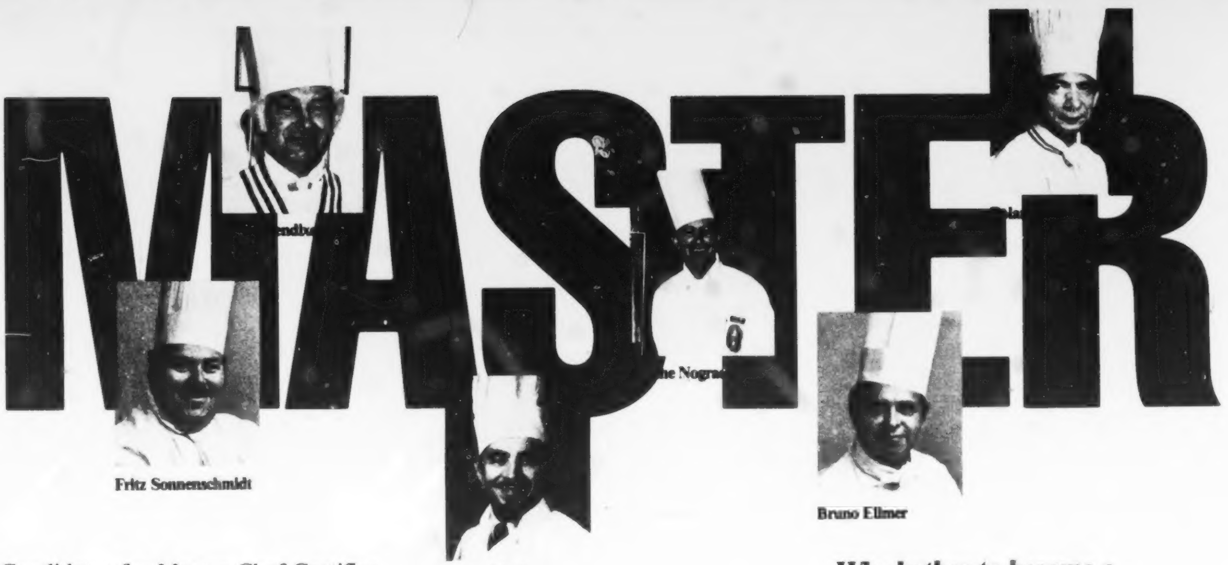
Handke received a judges' special award for his cold food display at the 14th Annual Culinary Arts Salon held during this year's NRA Show. His seafood, vegetable, hors d'oeuvre and meat platters were recognized as the "Best Piece of the Show."

What is the Master Chef Certification program? . . .

Master Chef Certification represents the most rigorous testing a professional chef can obtain. Ferdinand Metz, president of the Culinary Institute of America (CIA) in Hyde Park, NY, was instrumental in developing the MCC program. "When I was charged with the task of developing an MCC program, I went to very logical sources—primarily my brother and my father who are both CMCs in Europe. From them, my training in Europe and my travels, I was able to compile a comprehensive program. The U.S. program had to be more stringent and more comprehensive than its foreign counterparts because America is comprised of a combination of almost every nation whereas in Europe most chefs focus on classical cuisine with a bit of regional cooking. It was my intention to establish a program that would have integrity and would be mutually recognized under the reciprocal arrangement with any nation in Europe. That was achieved."

Each candidate for MCC is a certified executive chef with many years of experience in the world of food.

MASTER



Fritz Sonnenschmidt

Milos Cihelka

Bruno Ellmer

Candidates for Master Chef Certification enroll in the American Culinary Federation's intensive 10-day program held at the Culinary Institute of America in Hyde Park, N.Y., and complete the required course load. The topics covered include

1. American cuisine
2. International cuisine
3. Classical cuisine
4. Baking/pastry/patisserie
5. Dietary cooking/nutrition
6. Tableside cooking
7. Cold buffet preparation
8. Food science
9. Menu development
10. Managerial development
11. Beverage control and service and
12. Dining room service and supervision

Once the course load is completed, all candidates are required to pass theoretical and practical examinations.

In addition to their time, chefs invest nearly $2,000 in tuition, fees, materials and living expenses. "I thought the $150 book fee was high, but when I received the case of books, I saw it was worth it," says Kiessling. "Yes," agrees Doppelfeld, "I studied intensively for four months, concentrating on areas where I felt weak and glancing over confident ground. Prior to the test, I enrolled in an intensive, double-loaded, eight-week course at CIA. Instead of studying eight hours a day, I studied 16," he says. Handke spent six months in preparation. "I awoke every morning and studied in the quiet of my office from 5:00 a.m. to 7:00 a.m. I also worked a lot of Saturdays and Sundays. It was a trying time for me and for my whole family who, although they didn't see much of me, supported my efforts," Handke maintains.

How many candidates pass the exam? . . .

After a lifetime of preparation and months of intensive study, the chefs underwent the examinations. Beginning at 7:00 a.m. and ending at 9:00 p.m., candidates performed under the constant, watchful eye of judges and students. The pressure to prepare food at the exact time specified made burnout inevitable for some candidates who departed before the program's completion. The success rate has been a discouragingly low 45 percent. "You have to be in top mental and physical shape at the onset. Afterwards, I felt emotionally drained," admits Handke. "The program involves a lot of anxiety, but challenge, the very thing that most chefs thrive on, is there," explains Seta. Henin agrees, "The testing has to be as tough and intensive as it is because a chef must work well under pressure. If you can't, then you're not a master."

"A lot of people can talk a good cookbook. It's like talking good football. When you're on the field, it's a different game. The examinations boil down to the performance itself," observes Kiessling. Metz agrees. "Once you start cooking, nothing else will help you. It's simply what you produce. It no longer matters who you are, what you are, where you come from or what you've done in the past. It means nothing because you are being judged by what you present to the judges."

Every CMC says that the program was worth all the effort and that if he had not succeeded, he would have definitely tried again.

Why bother to become a CMC? . . .

What is it that makes successful, well-reputed professionals subject themselves to this kind of rigorous testing? The chefs answered that advancing the profession is important and that the challenge of the program appealed to them. Wanting to know that they are among the very best—here and abroad—also was a strong motivator as was setting an example for students and peers.

And where does the drive come from? Love of the profession the master chefs maintain. Bendixen elaborates: "Love of the culinary art is a must for anybody who comes into the profession. You can't look at it as just a job. You must have the dedication and love of the profession. Only if you love and enjoy this profession will you be good at it."

Aside from the great honor attached to being classified as the best, the MCC also includes privileges, rewards and responsibilities.

The privileges include being recognized as a top professional in the culinary field, assuming a professional leadership role and upgrading culinary standards.

In addition, the Master Chef certification can be displayed in the place of business or embossed on stationery, business cards, plaques and other similarly recognized materials.

More tangible rewards include job offers, raises, promotions and publicity. "There was quite a bit of publicity, and now it's easier to find good apprentices to work for me," reports Handke.

Many chefs also said that the Master Chef certification brought status to their establishments and provided inspiration to others. "It showed stu-

CHEFS

K

Byron Bardy, Jr.

Anton Flory

Dieter Doppelfeld

Leopold Schaell

Anthony Seta

dents what they could strive for," says Doppelfeld.

The title has its responsibilities, too. Once granted Master Chef certification, chefs administer future examinations to guarantee quality control. Other responsibilities include

- maintaining and upgrading the high standards of the culinary arts
- representing the profession outside the industry and
- supporting the American Culinary Foundation (ACF) by lecturing, teaching ACF apprentices and serving as judges for national and international food competitions.

What is the next challenge? . . .

To become a CMC is a chef's ultimate goal. It is the highest honor the profession can bestow. ***NRA NEWS*** asked what the chefs hoped to achieve in the future. They answered that the challenge is now to live up to their reputations, to continue learning and to pass their knowledge on to other chefs.

"To continue to produce excellent dishes and to put Detroit on the culinary map. Many people don't realize that Detroit has a number of excellent restaurants," states Cihelka.

"I'm presently developing a program that will house 12 to 14 apprentices over a three-year training period," says Bardy.

"I'm considering a six-month sabattical in Japan. I think I'd learn a lot about the finer points of delicacy from the Japanese. Also, sea-farming is something I'd like to look into," replies Henin.

The International Culinary Competition, often called the "culinary olympics," play a big part in the future of some CMCs. "My goals were to be a CMC and captain of the culinary olympics. I've achieved those goals and I'll find another one," states Schneider. "I want to be a member of the 1988 U.S. Culinary Olympic Team," says Handke. Seta agrees that he, too, would like to be involved in the culinary olympics at the some point in the future.

What does the CMC program mean to the industry? . . .

All of the CMCs agree that the program helps raise the image of the chef and that it is a much-needed goal for young people to work toward. Many chefs are confident that the day will come when all chefs who have apprentices working under them will be master chefs. This, they add, will ensure that proper foundations are set in young chefs.

"When I came to this country in 1962, anybody could put on a white hat and claim to be a chef," remarks Metz. No one could dispute it. Foodservice at that time was in sad, sad shape. Today it has improved tremendously. Almost 100 percent of the thousands of students CIA graduates every year have Master Chef certification as their ultimate goal. When they achieve this goal, it will tell them something about themselves, and it will also tell the outside world about them. Becoming a CMC is a culmination of years of experience, which add up to quality, expertise, professionalism and recognition.

"The Master Chef certification program is still in its infancy in the U.S. Relatively few people outside of the industry have ever heard of it. Once it becomes more widely known—and it will be—the public will render the title of CMC its just respect and admiration. When that happens the entire foodservice industry will benefit."

Why not invite a Master Chef to dinner?

Along with the publicity and prestige, a CMC has to face something that's hard to swallow—reduced dinner invitations.

"It's even gotten to the point where my mother is afraid to cook for me," laments Seta.

Sonnenschmidt feels this, too, but says it needn't be. "I think people are reluctant to invite any professional chef to dinner. One of the biggest falacies is that a chef is so sophisticated that he will look down upon food that is cooked by a homemaker. Very often I feel it necessary to explain, 'I cook with water, too.' Actually, I could survive on home-fried potatoes and salad."

Nograd heartily agrees. "You ask any of the famous chefs; they will tell you that they are all simple eaters," he says. "You can make a chef happy with a fine sandwich made simply and without any decorations. Famous chefs are not necessarily finicky people. They don't have seven-course dinners every day, and they don't eat with golden spoons."

Ellmer supports this by adding, "My wife and I eat normal, pure, unadulterated food. Fancy food? If you have good, normal, unadulterated food, it is fancy by itself. I know the fruit in my garden hasn't been sprayed day and night. I go out and eat my peaches, strawberries, pears, grapes, plums and gooseberries. I think I'm Adam in the Garden of Eden."

Study Group Meetings

LABOR RELATIONS
July 18–19
Washington, DC

INTERNAL AUDIT
September 4–7
Boston, MA

FINANCIAL OFFICERS
September 5–7
Boston, MA

TAX EXECUTIVES
September 5–7
Boston, MA

MARKET RESEARCH
September 19–21
Portland, OR

MARKETING EXECUTIVES
October 14–17
Chicago, IL

ELECTRONIC DATA PROCESSING
October 16–19
Toronto, Canada

PURCHASING MANAGERS
October 17–19
Orlando, FL

For more information call Phil Kralovec, NRA Chicago Office (312) 853-2525

Fisher's Law [illegible]

The "real" meaning!

It is well established in contemporary business organizations that the written word, be it in memo, letter, report, proposal or project form, is expressed at a higher and more formal level of English than ordinary everyday conversation. Most of the reasons for this, at least on the part of the writer, are defensive. For example, the writer, with his/her name on the document, is held to a higher level of accountability for the content of the document than someone who expresses "off-the-cuff" verbal comments or reactions, since, presumably, more careful and deliberate thought goes in to committing something to paper.

> ***"In written communication, one needs to read behind the lines and between the lines, as well as on the line, to deduce the real meaning of the message."***

This gives rise to some interesting speculation as to what a person really means when relatively simple statements are transformed into "bureaucratese." Here are some examples that you may recognize. The written (formal) statement appears first; the possible hidden meaning follows.

1. We entered the data into the computer, but we don't have the results yet. (We've got analysis paralysis. I don't know when I can decipher the results.)

2. It's in process. (We're all tied up. The process is delaying progress.)

3. We're going to have to negotiate. (We'll have to bash heads if minds are going to meet.)

4. See me ASAP. (Come down to my office now. I'm all caught up, and I'm looking for something to do.)

5. We're researching it. (We've got the conclusion we want. Now we have to select and arrange the right data to support it.)

6. Please initial and route to the next person listed. (We have to spread the responsibility for this.)

7. I'll look into it. (I hope you'll forget about it in a few days.)

8. It's under consideration. (I never heard of it.)

9. We're actively pursuing it. (We're searching our files to see if we can find it.)

10. Can you clarify your points? (You've given us so much background that the foreground is indistinguishable from the underground.)

11. Let's discuss! (I think you are as confused as I am.)

12. It's moving through channels. (Not everyone has had a chance to write a memo on it.)

13. We'd appreciate your thoughts on this. (It's O.K. to talk to us, but we've already made the decision.)

14. I'll get back to you shortly. (When I figure it out, I'll let you know.)

15. We've assigned a task force to study it. (We found out it couldn't be handled by one telephone call.)

16. It's an eye for an eye and a tooth for a tooth. (If that's the way they want to play, we'll match 'em a lie for a lie and a truth for a truth.)

17. We'll see if we can expedite it. (The boss is out of town, and I'll see if I can slip it through.)

18. We better have a meeting of all interested parties. (Mass confusion abounds. We better get the master minds together.)

19. Can you give us any more information? (We lost what you gave us. Please send us another copy.)

20. Why don't you re-think it and get back to me. (This is the dumbest idea I've ever heard. If you press it, be prepared for the consequences.)

Fisher's 53rd law springs to the fore: *In written communication, one needs to read behind the lines and between the lines, as well as on the line, to deduce the real meaning of the message.*

TO YOUR HEALTH

Growing interest in food safety and sulfites

by Karen Sherwood, R.D.

Public interest in wholesome and safe food is receiving increasing attention from government, consumer groups and the food service industry.

Many families first "discover" health and nutrition information when some family member has a health-related event. Development of a specific ingredient allergy is one example. Once an event of this sort takes place, health and nutrition interest tends to broaden, and word of mouth spreads the information beyond the immediate family.

Such a pattern has developed in the sulfite issue. Thus restaurant patrons may be bringing sulfite questions and concerns to restaurateurs.

Background on the sulfite issue . . .

In February 1983, NRA sent an Action Letter to its members suggesting that they discontinue the use of sulfiting agents, particularly sodium bisulfite, until its safety had been established by the Food and Drug Administration (FDA). During the course of a review by FDA, it had become apparent that sulfiting agents may present a health hazard for some people.

Sulfiting agents include sulfur dioxide and several forms of inorganic sulfites, such as potassium bisulfite, potassium metabisulfite, sodium bisulfite, sodium metabisulfite and sodium sulfite. Sulfiting agents are currently listed in the code of federal regulations as Generally Regarded As Safe (GRAS) provided that they are not used in meats, milk or other foods recognized as a source of thiamine (Vitamin B_1).

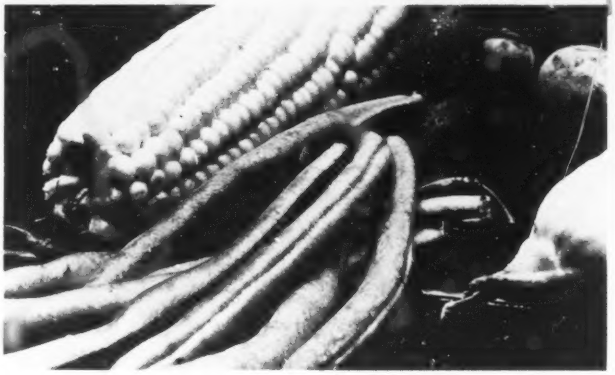
Sulfite uses . . .

Sulfiting agents are used to eliminate bacteria; to aid in preserving the freshness, brightness and storage life of foods; and to prevent browning.

One type of browning is non-enzymatic, consisting of diverse, complex chemical reactions that commonly involve the formation of chemical intermediates and brown pigments. Sulfites can be used to control non-enzymatic browning because of their ability to react with the chemical intermediates to prevent the reaction from occurring. Examples of foods where non-enzymatic browning occurs are dehydrated potatoes, fruit juices and drinks.

The anti-oxidative effect of sulfites is also responsible for inhibition of various types of browning and prevents oxidation of fats and vitamins, which generate off-flavors. Many foods that are processed and packaged may utilize sulfites to prevent oxidation. Sulfites also have been used in salad bars to prevent browning of fruits and vegetables.

Sulfites play crucial roles in the inhibition of bacteria in several food processes, such as wine making, corn steeping to facilitate re-



Sulfite resolutions

The NRA Board of Directors voted in May to continue to oppose labeling requirements for restaurants, approving three resolutions that came out of an NRA food additives task force meeting in April.

The Board decided that NRA will work with Congress, the Food and Drug Administration (FDA) and other interested parties to establish allowable standards for food additives.

But, said the Board, "Because there is no practical method for restaurateurs to determine the presence or absence of food additives in products received by them, and, because a label or sign could create misconceptions and misinformation, we continue to oppose labeling requirements at the retail level."

The Board also agreed that NRA members should try to determine if sulfiting agents are present in foods sold in their establishments and be prepared to respond to questions from consumers concerning the presence of these agents in menu items. In addition, NRA should encourage suppliers to identify products which contain sulfites, the Board said.

NRA plans to develop materials for individuals sensitive to sulfiting agents, advising them to inquire about additives in foods before ordering. These materials will be distributed to appropriate physicians and be given to potentially sensitive patients.

The Board's action was in response to public debate concerning the safety of sulfiting agents. The chemicals have been used by the food industry as a preservative in prepared products, and they have been added by foodservice operators to fresh foods, such as lettuce, potatoes and seafood, to retard browning.

Sulfites allegedly cause severe reactions—even death—among certain people. FDA is analyzing data from reported cases of reactions and may act later this year to curtail the use of the preservative. Until FDA acts, NRA continues to recommend against adding sulfites to foods prepared in restaurants.

moval of corn starch and fruit juice production.

Sulfites are widely used as reducing agents in the baking industry. In these products sulfites act by breaking the chemical bonds in the gluten fraction of the dough. This allows for a finer texture and a better baked product. Examples of baked goods using this process are biscuits, crackers, cookies and frozen pizza doughs and pie crusts.

Sulfites also have bleaching properties. The major application of this property is in the production of maraschino cherries and glace fruit products. The color uniformity and translucency of orange, lemon, grapefruit and citron peels is improved in storage in a sulfite brine.

Many other applications of sulfites fall into the category of processing aids—a category that is difficult to define.

Sulfites have been used for all these purposes in food for years. However, a health issue brought sulfites to public and industry attention. According to anecdotal reports to FDA, there was some consumer reaction to sulfite use in foods, especially among the asthmatic population.

A review of the literature on sulfites . . .

A review of the literature on sulfites does raise a number of questions:

1. **How many people are sensitive to sulfites?** There is potentially a small segment of the population that may be sensitive to sulfites. The number of asthmatics with sulfite sensitivity remains unknown.

On the basis of a survey of 61 asthmatics in 1982, it has been estimated that 8.2 percent of all asthmatics (740,000) may be sensitive to sulfiting agents.

There has been no testing of non-asthmatic individuals. FDA has stated it has received anecdotal information on sulfite sensitivity in non-asthmatics—but thus far no recognized scientific study has dealt with non-asthmatic individuals' reactions to sulfiting agents. It is therefore not possible to know the full extent of consumer sensitivity.

2. **Is sulfite sensitivity the same for all individuals?** There may be more than one type of sulfite sensitivity. For example, there are apparently two populations of sulfite-sensitive asthmatics: those who react to inhaled sulfites released from acidic beverages and those who react to ingestion of inorganic sulfites. The reaction of each group appears to be very different.

3. **How much sulfite do various foods contain?** There is very little data concerning the levels of sulfites in particular food products and processing treatments. Potatoes, for example, which depend upon processing and treatment techniques, seem to have a wide variation in sulfite levels and residues.

4. **Have hypersensitive individuals been tested with food items?** In all the scientific literature, testing of individuals was done with inorganic sulfite preparations—not food items. It is known that the chemical composition of sulfites can change in food processing, storage, cooking and digestion. The body can react very differently to sulfites in food versus sulfites in capsule form.

There is current research in progress that is seeking to fill in the gap. For the first time sulfite sensitivity in asthmatics is being tested by using food items that have been treated with sulfites. The foods being used are white grape juice, dried apricots, dehydrated potatoes, shrimp and lettuce as it would have been prepared for a salad bar.

Preliminary results may be available in November. A target date for study completion and release of results is late 1985 or early 1986.

Substitutes for sulfites are limited . . .

A substitute for sulfiting agents that possesses all of the desirable properties of this group of food additives seems unlikely. Replacements for *each* of the individual properties provided by the sulfiting agents might be identified, but this could result in a greater number of food additives.

Despite these difficulties, NRA continues to recommend that restaurateurs not use sulfiting agents. Many operators have turned to some form of ascorbic or citric acid. Although it is not as effective nor universally applicable as the sulfites, it does seem to be replacing sulfites in restaurant kitchens.

Harris poll surveys consumers about food safety issues

Earlier this year, the Food Marketing Institute (FMI) sponsored a Louis Harris survey inquiring into "Public Attitudes Toward Food Safety."

The survey probed attitudes toward six specific food substances. As the table below illustrates, the public was most concerned about residues.

	Serious hazard	Somewhat of a hazard	Not a hazard at all	Not sure
Residues (pesticides and herbicides)	77%	18%	2%	3%
Cholesterol	45%	48%	5%	2%
Salt in food	37%	53%	9%	1%
Additives and preservatives	32%	55%	8%	4%
Sugar in food	31%	53%	15%	1%
Artificial coloring	26%	53%	17%	5%

The Foodservice Industry

1982 In Review

Introduction

This is the 15th annual National Restaurant Association report on the size and scope of the foodservice industry. It constructs a statistical framework for analyzing growth rates and understanding the relative importance of various market segments. It compares 1982 sales data with 1981 sales performance and discusses the effects of economic forces and other factors on industry sales.

The report examines foodservice sales and purchases for major markets, such as educational institutions, health care facilities and employee feeding programs. This is done to provide industry suppliers with the information they need to better serve the away-from-home market for meals and snacks.

When reading through this report, please keep in mind that data are national in scope and do not show regional variations, which can be and often are substantial. The report covers only a two-year period. Percent changes noted here are thus not necessarily indicative of long term trends. Also, individual firms can and do deviate significantly from the average percent changes indicated throughout this report.

Notice to readers

The sales figures presented here for 1981 and 1982 have been revised to reflect recently released preliminary data from the *1982 Census of Retail Trade*. Additional revisions to eating places, drinking places and retail hosts may be necessary as more complete data become available.

Because of these revisions, comparison between 1981 and 1982 NRA sales figures with those for 1978 through 1980 as well as those for 1983 and 1984 is more difficult. Although the level of sales for these years now requires revising, the annual percent changes remain valid.

The National Restaurant Association will be working on revisions to sales and purchase figures for the period 1978 through 1984 during the next several months as final retail census data are released. The revised figures will be published as soon as they are available in the ***NRA NEWS*** and in a new *Foodservice Sales Panorama*.

Highlights

Foodservice industry sales	Foodservice industry sales totaled $137.9 billion in 1982, up 6.5 percent from $129.5 billion recorded in 1981. Real sales (when adjusted for inflation) rose 1.2 percent, marking the second consecutive year of positive real growth. NRA anticipates real sales for the industry will be positive for 1983 through 1985 as well.
The proportion of the food dollar spent on food away from home	The proportion of the food dollar spent on food away from home also experienced an upswing for the second year. In 1982, consumers allocated 37.9 percent of their food dollar to meals outside the home—up from a revised 37.1 percent in 1981.
Customer traffic	Customer traffic rose dramatically in early 1982, but then registered declines of 0.7 percent and 0.3 percent in the spring and summer as the economy entered a deep recession. As the economy picked up steam later in the year, restaurant traffic also benefited, rising 2.9 percent.
Menu prices	Menu prices continued to advance at a faster pace than grocery store food prices—5.3 percent versus 3.4 percent.
Commercial Feeding Group	Food and drink sales in the Commercial Feeding Group reached $117.4 billion in 1982, up 6.6 percent from $110.2 billion in 1981. After adjusting for inflation, real sales rose modestly, up 1.3 percent.
Eating place sales	Eating place sales reached $86.2 billion in 1982, a 7.8 percent increase over the prior year. Inflation-adjusted sales advanced 2.5 percent, considerably higher than the 1.3 percent rise in real sales in 1981.
Limited menu (fast food) restaurants	Limited menu (fast food) restaurants recorded the largest sales gain among eating places in 1982—9.4 percent. This category also experienced the strongest real sales growth in the eating place sector—4.1 percent. This is considerably above 1981's 3.3 percent gain in real sales.
Restaurants and lunchrooms	Food and drink sales at restaurants and lunchrooms—establishments offering tableservice—reached $46.3 billion. This represents a 6.9 percent increase over 1981 sales of $43.3 billion and a real gain of 1.5 percent.
Drive-in movies	Drive-in movies recorded the largest sales gain in the foodservice industry in 1982, up 15.4 percent. Other segments which performed well include grocery store restaurants, foodservice contractors at colleges and universities, colleges and universities which operate their own foodservice facilities and limited menu (fast food) restaurants.
Institutional Feeding Group	Institutional Feeding Group sales reached $19.7 billion in 1982, up 5.6 percent from $18.7 billion in 1981. Inflation-adjusted sales for this group rose 0.4 percent compared with a gain of 0.5 percent in 1981.
Military Feeding Group	Military Feeding Group food and drink sales rose 7.5 percent in 1982, totaling $714 million. This compares with a gain of 8.5 percent in the prior year.

The statistical information and analysis presented here were prepared in consultation with the research firm of Malcolm M. Knapp, Inc.

Real sales rise . . .

Foodservice industry sales totaled $137.9 billion in 1982, a 6.5 percent increase over 1981's $129.5 billion. Real sales (adjusted for inflation) rose for the second consecutive year. The 1982 gain of 1.2 percent was higher than the 0.5 percent advance recorded in 1981.

This upward trend indicates that the industry was recovering from the real sales declines of 1979 and 1980 of 0.5 percent and 0.6 percent, respectively. Even more significant is the fact that the industry outperformed the U.S. economy as a whole: Real Gross National Product (GNP) declined by 1.9 percent in 1982. In addition, real sales for the foodservice industry outpaced the real gains for non-durable goods expenditures (up 0.5 percent) and disposable personal income (up 0.5 percent) and performed substantially better than the one percent decline in inflation-adjusted durable goods expenditures.

The Commercial Feeding Group experienced real sales growth of 1.3 percent in 1982, compared with a more modest gain of 0.6 percent in 1981 and a decline of one percent in 1980.

The Institutional Feeding Group experienced slightly lower real growth—up 0.4 percent. This is similar to the 0.5 percent rise in the prior year, but is down significantly from the two percent real gain posted in 1980. Institutional feeders continue to be faced with declining populations in schools, hospitals and other institutions. They also must contend with increased competition from foodservice contractors, a segment NRA considers to be part of the Commercial Feeding Group.

Although the U.S. economy was in a severe recession in 1982, the one bright spot was inflation. Inflation, as measured by the Consumer Price Index (CPI), rose a modest 6.8 percent in 1982, compared with considerably higher rates of 13.5 percent and 9.6 percent in 1980 and 1981, respectively. This slower increase in consumer prices, together with the tax cut, were the prime contributors to the slightly improved picture for restaurant sales.

1982 Alcoholic beverage sales in eating and drinking places (000)

	Sales	Percent of total alcoholic beverage sales
Restaurants, lunchrooms	$6,943,244	47.7%
Bars and taverns	6,914,554	47.5
Refreshment places	562,270	3.9
Social caterers	69,213	0.5
Cafeterias	55,009	0.4
Total alcoholic beverage sales	**$14,544,290**	**100%**

Note: Only those establishments with payroll are included. Hotel, motels and motor hotel restaurants had combined alcoholic beverage sales of $1,971,442,000. Alcoholic beverage sales in other establishments totaled approximately $1,150,228,000 in 1982.

Source: Malcolm M. Knapp, Inc.

Nonetheless, consumers were not strongly inclined to spend money on discretionary items, such as eating away from home in 1982, and this was particularly true from March through September. Many people were unemployed, and others had a very real fear that they would soon have no job. As a result, consumer expenditures for both durable and non-durable goods rose only marginally.

Customer traffic at the nation's restaurants in 1982 mirrored the U.S. economic performance. Although traffic was up a healthy 5.2 percent in the first quarter, this was primarily because the comparable period in 1981 reported weak traffic and sales. As the public realized the U.S. economy was in a severe recession, consumers began cutting back on their number and frequency of restaurant visits. Traffic declined 0.7 percent in the spring and fell 0.3 percent in the summer. In the fall people began to see signs that the recession was ending, and customer counts rose 2.9 percent. This then set the stage for a better performance in 1983.

Menu prices advance a modest 5.3 percent . . .

Prices for restaurant meals moderated considerably in 1982, rising only 5.3 percent. This compares with substantially higher advances of 9.9 percent and 9.0 percent in 1980 and 1981, respectively. However, menu prices continued to rise at a faster pace than food prices at the grocery store—5.3 percent versus 3.4 percent.

Wholesale food costs for restaurant operators rose only 2.5 percent in 1982, versus a 3.0 percent advance in 1981 and 5.0 percent in 1980. Prices for several commodities were lower in 1982 than in 1981—beef and veal (down 0.8 percent), poultry (down 7.6 percent), eggs (down 4.5 percent) and fresh vegetables (down 11.2 percent).

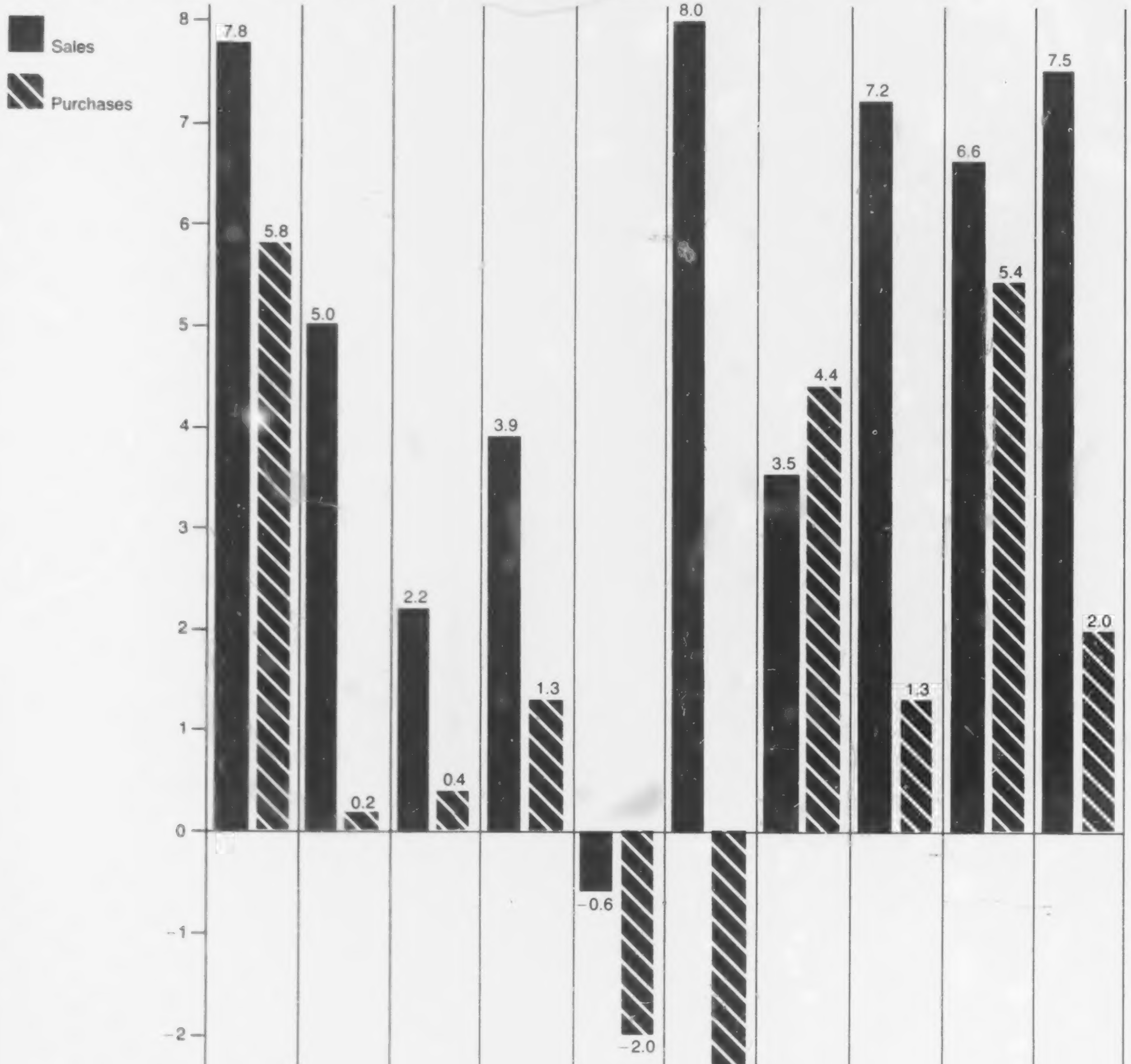
These lower food costs, together with only modest increases in labor and overhead costs, were a definite help to restaurateurs in their efforts to hold down menu price inflation.

Proportion of food dollar spent away from home increases . . .

In 1982, consumers increased their purchases from foodservice operations at a slightly faster rate than from food stores (including grocery stores, butcher shops and bakeries). Real sales for foodservice rose 1.2 percent, while real food store sales were up 1.1 percent. Even more significant, inflation-adjusted sales at eating places advanced 2.5 percent, substantially outpacing the real sales gains at food stores.

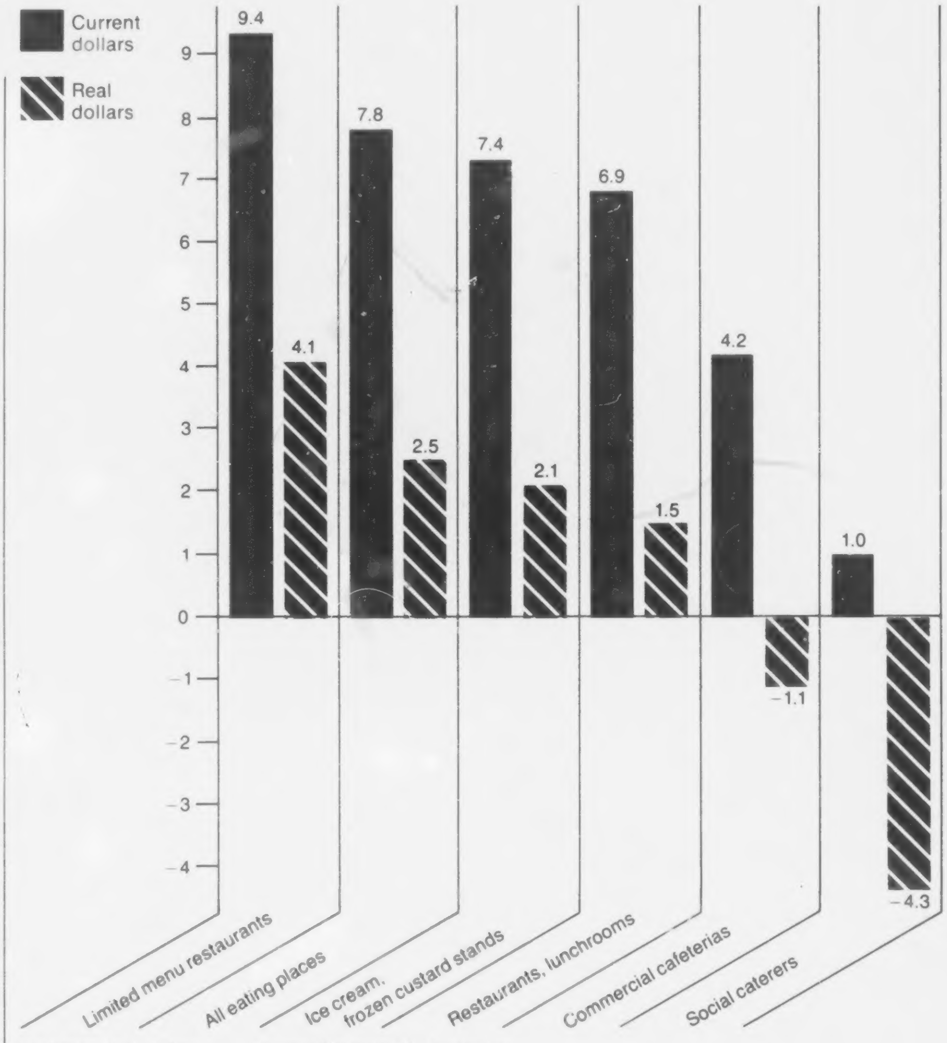
The proportion of the food dollar spent on meals and snacks away from home increased from a revised 37.1 percent in 1981 to 37.9 percent in 1982. This approximates the high of 38.0 percent reached in 1978. The proportion of disposable personal income allocated to food away from home remained unchanged, with foodservice claiming a 5.6 percent share in both years.

Percent change in food and drink sales and purchases 1981-1982



Sources: Malcolm M. Knapp, Inc., National Restaurant Association

Percent change in sales growth for eating places 1981-1982 (current and real dollars*)



*Adjusted for inflation *Source:* Malcolm M. Knapp, Inc.

Commercial Feeding Group sales reached $117.4 billion . . .

Food and drink sales in the Commercial Feeding Group—which accounts for 85 percent of the industry's $137.9 billion total—reached $117.4 billion in 1982, representing an increase of 6.6 percent over 1981. After adjusting for inflation, real sales in this category rose 1.3 percent, versus 1981's lower gain of 0.6 percent.

Foodservice sales at *drive-in movies* posted the largest gain in the Commercial Feeding Group in 1982 with an increase of 15.4 percent over 1981. Food contractors at *colleges and universities* posted a sizable advance of 10.7 percent and *limited menu restaurants* recorded a 9.4 percent gain. In addition, foodservice sales at *grocery stores* advanced 10.2 percent.

Several segments experienced a decline in food and drink sales between 1981 and 1982, however. These include *motel restaurants* (down 4.3 percent), *vending and non-store retailers* (down 2.2 percent), food contractors in *manufacturing and industrial plants* (down 1.8 percent) and foodservice sales at *gasoline service stations* (down 2.8 percent).

Institutional Feeding Group sales totaled $19.7 billion . . .

Sales in the Institutional Feeding Group rose 5.6 percent in 1982, reaching a total of $19.7 billion. However, real sales (adjusted for inflation) rose only a modest 0.4 percent, similar to the 0.5 percent gain in 1981 but substantially below the 2.0 percent advance in 1980.

Foodservice sales at *private colleges and universities* experienced the most substantial growth for the second consecutive year—up 10.2 percent. Several other segments also posted substantial increases. Foodservice sales on *railroads* were up 9.9 percent. At both *public colleges and universities* and *private clubs* they were up 9.6 percent.

Eating place sales reached $86.2 billion . . .

Eating places, including restaurants, lunchrooms, limited menu (fast food) restaurants, commercial cafeterias, social caterers as well as ice cream and frozen custard stands, account for approximately 60 percent of total foodservice industry sales. In 1982, sales for these establishments reached $86.2 billion—a 7.8 percent increase over 1981's level of $80.0 billion.

Inflation-adjusted sales for this group rose 2.5 per-

1982 Eating place sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Restaurants, lunchrooms	$ 43,300,552	$ 46,288,290	6.9%	$ 16,034,194	$ 16,786,448	4.7%
Limited menu restaurants	32,122,358	35,141,860	9.4	11,237,686	12,121,130	7.9
Commercial cafeterias	2,315,442	2,412,690	4.2	866,971	884,522	2.0
Social caterers	806,206	814,268	1.0	309,937	307,076	−0.9
Ice cream, frozen custard stands	1,419,716	1,524,775	7.4	440,112	460,482	4.6
Total eating places	**$79,964,274**	**$86,181,883**	**7.8%**	**$28,888,900**	**$30,559,658**	**5.8%**

1982 Lodging place sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Hotel restaurants	$ 4,817,757	$ 5,020,103	4.2%	$ 1,595,062	$ 1,632,788	2.4%
Motor hotel restaurants	854,525	871,936	2.0	283,509	284,809	0.4
Motel restaurants	1,461,034	1,398,210	−4.3	501,760	471,721	−6.0
Total lodging places	**$7,133,316**	**$7,290,249**	**2.2%**	**$2,380,331**	**$2,389,318**	**0.4%**

cent in 1982, considerably higher than the 1.3 percent gain in the prior year and the declines of 1.0 percent in 1980 and 0.7 percent in 1979.

Limited menu restaurants experience strongest growth . . .

Limited menu restaurants, including most fast food establishments, continued to post the largest sales gain among eating places in 1982—9.4 percent. After adjusting for inflation, real sales growth was 4.1 percent, larger than any other eating place category and somewhat higher than 1981's gain of 3.3 percent.

Fast food continues to capture a greater portion of eating place sales and total foodservice sales. In 1970, limited menu sales accounted for 29 percent of eating place sales and 14 percent of total foodservice sales. By 1982, these shares had increased dramatically—40.8 percent and 25.5 percent, respectively.

Fast food operators were relatively successful at maintaining and increasing their customer base in 1982. Increases in customer counts at these establishments were reported throughout the year, and these gains outpaced those at all restaurants during the four quarters of 1982. Fast food places had particularly strong traffic gains in the winter (up 7.1 percent) and the fall (up 10.4 percent). Primary reasons for fast food's better-than-average performance in 1982 were patrons trading down to less expensive eating places because of severe economic conditions and heavy use of promotions and discounts. According to CREST data, promotional activity was highest in the winter, accounting for 18.0 percent of all fast food occasions. In the spring and fall it exceeded 15.0 percent of all occasions.

Restaurant and lunchroom sales up 6.9 percent . . .

Food and drink sales at *restaurants and lunchrooms*—establishments offering tableservice—increased 6.9 percent in 1982, reaching $46.3 billion. Inflation-adjusted sales for this category posted an increase of 1.5 percent, a considerable improvement over the slight 0.2 percent gain in 1981.

Among other eating place categories, sales at *ice cream and frozen custard stands* topped $1.5 billion in 1982, a 7.4 percent advance over 1981 sales of $1.4 billion. *Commercial cafeterias* posted a very modest 4.2 percent increase, compared with the substantially higher 7.0 percent gain in 1981.

Social caterers posted the smallest sales gain in 1982 of all eating places—1.0 percent.

Sales at bars and taverns totaled $7.9 billion . . .

Food and beverage sales at all *bars and taverns* (with or without foodservice) rose only 5.0 percent in 1982 for a total of $7.9 billion. This was considerably lower than the 7.0 percent gain in 1981 and 8.4 percent advance in 1980.

Lodging place sales up 2.2 percent . . .

Food and drink sales at *lodging places* totaled $7.3 billion in 1982, up 2.2 percent from the prior year. This compares with a stronger 8.1 percent advance in 1981. The poor performance in the lodging sector was most likely due

1982 Retail host sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Drug and proprietary store restaurants	$ 352,484	$ 357,771	1.5%	$ 132,182	$ 131,302	-0.7%
General merchandise store restaurants	55,222	56,768	2.8	20,156	20,266	0.5
Department store restaurants	1,109,507	1,145,011	3.2	427,160	430,524	0.8
Variety store restaurants	340,693	345,122	1.3	127,760	126,660	-0.9
Food stores (excluding grocery)	185,821	192,325	3.5	62,250	62,506	0.4
Grocery store restaurants	783,734	863,675	10.2	278,226	298,832	7.4
Gasoline service stations	416,017	404,368	-2.8	147,686	139,911	-5.3
Miscellaneous retailers	223,899	236,437	5.6	78,365	80,625	2.9
Total retail hosts	**$3,467,377**	**$3,601,477**	**3.9%**	**$1,273,785**	**$1,290,626**	**1.3%**

1982 Employee feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Industrial and commercial organizations						
Food contractors						
• Manufacturing and industrial plants	$ 2,299,688	$ 2,258,294	-1.8%	$ 1,060,156	$ 1,027,524	-3.1%
• Commercial and office buildings	669,127	709,943	6.1	308,468	323,024	4.7
Institutional feeding	$ 1,489,555	$ 1,458,274	-2.1%	$ 722,434	$ 692,680	-4.1%
Subtotal	*$ 4,458,370*	*$ 4,426,511*	*-0.7%*	*$ 2,091,058*	*$ 2,043,228*	*-2.3%*
Seagoing ships (1,000 + tons)	53,927	49,775	-7.7	32,356	29,865	-7.7
Inland waterway vessels	218,192	225,174	3.2	130,915	135,104	3.2
Total employee feeding	**$4,730,489**	**$4,701,460**	**0.6%**	**$2,254,329**	**$2,208,197**	**-2.0%**

to the sluggish economy and a sharp decline in business travelers. For instance, only 37 percent of the visitors at full-service hotels in 1982 were business travelers, down from 41 percent in 1981.

Occupancy rates also dropped during 1982. The occupancy rate for full service hotels fell from 67 percent to 65 percent. Occupancy rates declined even more substantially in economy hotels (which include most motels), dropping from 78.5 percent to 65.7 percent. Room rates for all hotels increased 6.7 percent during 1982, which also may have affected occupancy rates.

Hotels experienced the largest foodservice sales gains in the lodging category, up 4.2 percent to $5.0 billion in 1982. Convention business most likely provided the impetus behind the increase by providing steady business for the hotels.

Food and drink sales at *motor hotels* was up two percent to $872 million, versus a much stronger eight percent gain in 1981. *Motel restaurant* sales declined 4.3 percent and totaled $1.4 billion. A movement by several chains to segment the market and offer a variety of price points has since translated into upgraded properties and better consumer values—qualities that should increase food and drink sales in the lodging category.

Retail hosts' sales totaled $3.6 billion . . .

Retail hosts, such as department stores and drugstores, are establishments not primarily engaged in foodservice that incorporate a restaurant, cafeteria or snack bar on their premises. Food and drink sales at these establishments registered a 3.9 percent increase in 1982, totaling $3.6 billion. This modest increase may be due to consumers continuing to shop

1982 Educational feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Colleges and universities						
Contractors	$ 1,271,069	$ 1,407,073	10.7%	$ 435,977	$ 450,800	3.4%
Institutional						
• Public	1,789,255	1,961,023	9.6	818,378	840,474	2.7
• Private	746,306	822,429	10.2	394,538	402,823	2.1
Subtotal	*$ 3,806,630*	*$ 4,190,525*	*10.1%*	*$ 1,648,893*	*$ 1,694,097*	*2.7%*
Primary and secondary schools						
Contractors	$ 657,108	$ 719,533	9.5%	$ 302,276	$ 294,719	−2.5%
Institutional	2,364,450	2,464,112	4.2	3,018,427	2,814,554	−6.8
Subtotal	*$ 3,021,558*	*$ 3,183,645*	*5.4%*	*$ 3,320,703*	*$ 3,109,273*	*−6.4%*
Total educational feeding	**$6,828,188**	**$7,374,170**	**8.0%**	**$4,969,596**	**$4,803,370**	**−3.4%**

primarily for specific purchases and not spending much extra time in stores to browse or eat.

Grocery store restaurants, which include convenience stores, experienced the strongest gain in the retail host group—10.2 percent. This was primarily due to convenience stores offering many more foodservice items. Food and drink sales in this sector will continue to grow as these stores actively pursue the fast food business in response to consumers' continuing demand for convenient foods.

Food and drink sales at *miscellaneous retailers* rose 5.6 percent in 1982 and reached $236 million. Meals and snacks are being offered in more non-traditional areas, such as bookstores and liquor stores, which has helped boost foodservice sales in this category.

Food and drink sales at *food stores (excluding grocery stores)* rose a moderate 3.5 percent due primarily to slow sales at retail bakeries. Much of the bakery business seems to be going to supermarkets.

Department store foodservice sales reached $1.1 billion in 1982—advancing 3.2 percent. *General merchandise store* restaurants experienced a 2.8 percent increase and totaled $56.8 million.

Food service sales at *drug and proprietary store restaurants* and *variety stores* were much lower than the group average—1.5 percent and 1.3 percent, respectively.

Sales at *gasoline service stations* were down 2.8 percent due basically to the sluggish economy and decreased travel. Economic recovery should boost sales in this segment.

Mobile caterers post poor sales performance . . .

Mobile caterers posted a very small increase in 1982—0.9 percent. This was primarily due to a 6.6 percent decline in manufacturing employment and a slowdown in recreational feeding.

Vending and non-store retailers experienced an even slower year with sales dropping 2.2 percent. This compares unfavorably to the much stronger 8.2 percent rise in 1981. Pastry units were hit the hardest in 1982's downturn and experienced a 7.8 percent drop in total units. The number of hot, canned food vendors decreased 6.4 percent. Sandwich and salad vendors experienced the smallest decline. Total units dropped only 1.3 percent, which may be due to consumers' continuing desire for convenient nutrition and value-oriented meals.

The vending segment is looking outside of its traditional industrial base to offices, hospitals and colleges to boost sales.

Sales for employee feeding totaled $4.7 billion . . .

Foodservice sales in the employee feeding category totaled $4.7 billion in 1982, down a slight 0.6 percent from a year earlier. Food and drink sales for foodservice contractors at *commercial and office buildings* posted the healthiest increase in this category—6.1 percent. An increase in white collar employment combined with a decline in factory employment contributed to this gain. Professional and technical employment rose 3.2 percent; finance, insurance and real estate employment increased 2.2 percent and the number of clerical employees dropped only slightly—0.6. percent.

On the other hand, food and drink sales for foodservice contractors at *manufacturing and industrial plants* fell 1.8 percent. This was primarily due to a 6.5 percent decline in manufacturing employment. *Industrial and commercial organizations* that operate their own foodservice also experienced a drop in sales—2.1 percent. This also was due to a decline in employment as well as a continued shift from manual feeding to

1982 Transportation feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Airlines						
Contractors	$ 532,190	$ 548,688	3.1%	$ 255,435	$ 263,348	3.1%
Institutional	493,382	504,574	2.3	245,754	251,328	2.3
Subtotal	*$ 1,025,572*	*$ 1,053,262*	*2.7%*	*$ 501,189*	*$ 514,676*	*2.7%*
Passenger/cargo liners	$ 123,182	$ 133,651	8.5%	$ 67,749	$ 73,508	8.5%
Railroads	30,598	33,639	9.9	12,151	18,717	54.0
Total transportation feeding	**$1,179,352**	**$1,220,552**	**3.5%**	**$581,089**	**$606,901**	**4.4%**

1982 Recreational feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Recreation and sports centers						
Contractors	$ 1,011,926	$ 1,075,677	6.3%	$ 363,281	$ 377,563	3.9%
Non-contractors	755,803	797,372	5.5	271,333	279,878	3.1
Subtotal	*$ 1,767,729*	*$ 1,873,049*	*6.0%*	*$ 634,614*	*$ 657,441*	*3.6%*
Drive-in movies	$ 187,446	$ 216,313	15.4%	$ 60,920	$ 68,138	11.8%
Bowling lanes	547,257	572,431	4.6	202,485	208,937	3.2
Clubs	1,163,622	1,275,330	9.6	549,230	533,088	−2.9
Sporting and recreational camps	115,828	115,250	−0.5	69,497	69,150	−0.5
Total recreational feeding	**$3,781,882**	**$4,052,373**	**7.2%**	**$1,516,746**	**$1,536,754**	**1.3%**

vending in some operations.

Sales on *inland waterway vessels* rose 3.2 percent due to increased use of this less expensive form of bulk transportation.

Food and drink sales on *sea-going ships* fell a sharp 7.7 percent due to the continued reduction in U.S. flagships and a 8.7 percent drop in employment.

Educational feeding sales up 8.0 percent . . .

Foodservice sales for the educational feeding category reached $7.4 billion in 1982, up eight percent from $6.8 billion in 1981. This was above the seven percent gain in 1981. Enrollment in colleges was up 0.4 percent, with public institutions gaining 0.5 percent and private universities experiencing a 2.4 percent drop in enrollment. Private two-year colleges, on the other hand, fared best with a strong seven percent enrollment gain. The number of foreign students continues to grow at these schools. In 1982, foreign enrollment increased 4.5 percent to 326,000 students.

Foodservice contractors at *colleges and universities* posted the strongest increase in the educational feeding segment—10.7 percent. Institutional sales at *private colleges and universities* came next with a 10.2 percent advance. Sales at *public colleges and universities* that operate their own foodservices totaled $2.0 billion in 1982, up 9.6 percent from 1981. The relatively slower sales at public colleges and universities were due to lower board increases at these schools compared to board increases at private colleges and universities. More fast food operators are entering the campus market, which will increasingly affect this category.

Food and drink sales by food contractors at *primary and secondary schools* rose 9.5 percent in 1982. Sales in this category for schools operating their own foodservices rose 4.2 percent. Overall enrollment at primary and secondary schools fell 1.1 percent, while the number of pupils participating in school lunch programs declined even more substantially—7.8 percent. Consequently, the number of school lunches decreased 7.4 percent, and total breakfasts dropped 8.3 percent.

Sales for transportation feeding category up 3.5 percent . . .

Food and drink sales for

1982 Health care feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Contractors in hospitals and nursing homes	$ 902,408	$ 989,038	9.6%	$ 360,963	$ 395,615	9.6%
Voluntary and proprietary hospitals	5,190,252	2,527,620	6.5	2,076,101	2,211,048	6.5
State and local short-term hospitals	771,188	884,557	9.5	534,500	571,830	7.0
Long-term hospitals	872,010	887,548	1.8	348,804	355,019	1.8
Federal hospitals	349,283	381,711	9.3	281,152	301,576	7.3
Nursing homes	2,549,132	2,704,629	6.1	1,611,663	1,661,624	3.1
Total health care feeding	**$10,634.273**	**$11,335,103**	**6.6%**	**$5,213,183**	**$5,496,712**	**5.4%**

1982 Military feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1981	1982	Percent change	1981	1982	Percent change
Defense personnel	—	—	—	$ 1,739,787	$ 1,765,884	1.5%
Officers' & NCO clubs ("open mess")	$ 436,047	$ 471,367	8.1%	162,022	172,520	6.5
Military exchange food service	228,296	242,793	6.4	99,028	101,973	3.0
Total military feeding	**$664,343**	**$714,160**	**7.5%**	**$2,000,837**	**$2,040,377**	**2.0%**

the transportation feeding category rose 3.5 percent to $1.2 billion in 1982. Despite no real growth in passenger traffic, *railroads* posted a 9.9 percent jump in sales—the largest gain in the transportation feeding category. This is a significant improvement from the 6.6 percent decline one year earlier. Although alcoholic beverage sales were down, a sharp rise in food sales—26 percent—helped fuel the overall increase. An expanded frozen entree program helped boost food and drink purchases 54 percent.

Passenger/cargo liners reported a healthy sales increase in 1982—8.5 percent. Cruise ships' popularity continues to grow, due somewhat to the success of the "Love Boat" television show. The cruise ships are also putting more emphasis on promotions, which helped keep traffic up during a slow economic year.

In-transit feeding (airlines) by foodservice contractors rose 3.1 percent in 1982. Foodservice sales for *airlines* that operate their own foodservice posted somewhat weaker gains—up 2.3 percent. Domestic passenger traffic increased three percent while the number of international passengers dropped 4.8 percent. Domestic passenger miles were up 5.4 percent. This indicates that passengers were taking slightly longer trips.

Recreational sales were up 7.2 percent . . .

Foodservice sales for the recreational feeding category totaled $4.0 billion in 1982, up 7.2 percent from 1981's reported $3.8 billion. Food and drink sales at *drive-in movies* continued to post the strongest gains in the category—15.4 percent. Movie attendance jumped 10.1 percent, contributing to the strong performance.

Foodservice sales at *clubs* posted the second highest increase—9.6 percent. Food and beverage sales per member rose 8.9 percent at *country clubs* and 9.6 percent at *city clubs*, which helped boost sales. Total membership increases also contributed to the strong performance—rising 0.7 percent at country clubs and 1.1 percent at city clubs. In general, Americans have become more health and fitness conscious.

Sales by foodservice contractors at *recreation and sports centers* were up 6.3 percent due in large part to the absence of a baseball strike. This was, however, partially offset by the football strike. Total attendance at spectator sports was up 7.8 percent, significantly above the 8.8 percent decrease in admissions one year earlier.

Visits to state parks were up a modest 2.1 percent, while overnight stays in national parks was down a slight 0.7 percent. Sales at *recreation and sports centers* operating their own foodservice rose a moder-

See Sales p. 42 ...

Estimated food and drink sales and purchases, 1982

# of units	Type of establishment	Estimated food and drink sales (000) 1981	Estimated food and drink sales (000) 1982	Percent gain (loss)	Estimated food and drink purchases (000) 1982	Source
	Group I: Commercial Feeding[1]					
	Eating places					
122,773[2]	Restaurants, lunchrooms	$ 43,300,552	$ 46,288,290	6.9%	$ 16,786,448	1,21,22,23
108,601	Limited menu restaurants	32,122,358	35,141,860	9.4	12,121,130	1,21,22,23
6,787	Commercial cafeterias	2,315,442	2,412,690	4.2	884,522	1,22,23
3,320	Social caterers	806,206	814,268	1.0	307,076	1,22
9,268	Ice cream, frozen custard stands	1,419,716	1,524,775	7.4	460,482[4]	1,21,22
250,749	**Total—Eating places**	**$ 79,964,274**	**$ 86,181,883**	**7.8%**	**$30,559,658**	
33,990[3]	Bars and taverns	7,526,046	7,902,348	5.0	414,873	1,22
284,739	**Total—Eating and drinking places**	**$ 87,490,320**	**$ 94,084,231[5]**	**7.5%**	**$30,974,531**	
	Food contractors					
	Manufacturing and industrial plants	$ 2,299,688	$ 2,258,294	−1.8%	$ 1,027,524	1,19,27
	Commercial and office buildings	669,127	709,943	6.1	323,024	1,27
	Hospitals and nursing homes	902,408	989,038	9.6	395,615	13
	Colleges and universities	1,271,069	1,407,073	10.7	450,800	2,4
	Primary and secondary schools	657,108	719,533	9.5	294,719	3
	In-transit feeding (airlines)	532,190	548,688	3.1	263,348[6]	9
	Recreation and sports centers	1,011,926	1,075,677	6.3	377,563	1,23,24,29
7,836[7]	**Total—Food contractors**	**$ 7,343,516**	**$ 7,708,246**	**5.0%**	**$ 3,132,593**	
	Lodging places					
13,906	Hotel restaurants	$ 4,817,757	$ 5,020,103	4.2%	$ 1,632,788	1,23,25,26
2,435	Motor hotel restaurants	854,525	871,936	2.0	284,809	1,23,25,26
13,378	Motel restaurants	1,461,034	1,398,210	−4.3	471,721	1,26
29,719	**Total—Lodging places**	**$ 7,133,316**	**$ 7,290,249**	**2.2%**	**$ 2,389,318**	
	Retail hosts					
6,128	Drug and proprietary store restaurants	$ 352,484	$ 357,771	1.5%	$ 131,302	1
1,644	General merchandise store restaurants	55,222	56,768	2.8	20,266	1
5,202	Department store restaurants	1,109,507	1,145,011	3.2	430,524	1,30
5,111	Variety store restaurants	340,693	345,122	1.3	126,660	1
3,967	Food stores (except grocery)	185,821	192,325	3.5	62,506	1
23,001	Grocery store restaurants	783,734	863,675	10.2	298,832	1
8,232	Gasoline service stations	416,017	404,368	−2.8	139,911	1
3,608	Miscellaneous retailers (liquor, cigar, etc.[8])	223,899	236,437	5.6	80,625	1
56,893	**Total—Retail hosts**	**$ 3,467,377**	**$ 3,601,477**	**3.9%**	**$ 1,290,626**	
	Recreation and sports					
2,882	Drive-in movies	$ 187,446	$ 216,313	15.4%	$ 68,138	1
3,933	Bowling lanes	547,257	572,431	4.6	208,937	1
N/A	Recreation and sports centers	755,803	797,372	5.5	279,878	1,24,29
6,815	**Total—Recreation and sports**	**$ 1,490,506**	**$ 1,586,116**	**6.4%**	**$ 556,953**	
	All other					
3,267	Vending and non-store retailers[9]	$ 2,734,406	$ 2,674,249	−2.2%	$ 866,457	1,19
N/A	Mobile caterers	495,890	500,353	0.9	167,118	1,2
3,267	**Total—All other**	**$ 3,230,296**	**$ 3,174,602**	**−1.7%**	**$ 1,033,575**	
389,269	**Total—Group I**	**$110,155,331**	**$117,444,921**	**6.6%**	**$39,377,596**	

# of units	Type of establishment	Estimated food and drink sales (000)		Percent gain (loss)	Estimated food and drink purchases (000)	Source
		1981	1982		1982	
	Group II: Institutional Feeding—Business, educational, government or institutional organizations which operate their own foodservice					
	Employee feeding					
3,800	Industrial and commercial organizations	$ 1,489,555	$ 1,458,274	-2.1%	$ 692,680	20,27
496	Seagoing ships (1,000 + tons)	53,927	49,775	-7.7	29,865	6
4,248	Inland waterway vessels	218,192	225,174	3.2	135,104	7
8,544	**Total—Employee feeding**	**$ 1,761,674**	**$ 1,733,223**	**-1.6%**	**$ 857,649**	
	Educational feeding					
91,722	Public and parochial elementary and secondary schools (90,360 national school lunch program)[10]	$ 2,364,450	$ 2,464,112	4.2%	$ 2,814,554	3
1,000	Public colleges and universities[11]	1,789,255	1,961,023	9.6	840,474	3
1,569	Private colleges and universities[11]	746,306	822,429	10.2	402,823	2,4
94,291	**Total—Educational feeding**	**$ 4,900,011**	**$ 5,247,564**	**7.1%**	**$ 4,057,851**	
	Transportation feeding					
63	Passenger/cargo liners	$ 123,182	$ 133,651	8.5%	$ 73,508	8
98	Airlines	493,382	504,574	2.3	251,328	9
2	Railroads	30,598	33,639	9.9	18,717	10
163	**Total—Transportation feeding**	**$ 647,162**	**$ 671,864**	**3.8%**	**$ 343,553**	
	Hospital feeding					
4,086	Voluntary and proprietary hospitals	$ 5,190,252	$ 5,527,620	6.5%	$ 2,211,048	13
1,715	State and local short-term hospitals[12]	771,188	844,557	9.5	571,830	13
706	Long-term, general, TB and psychiatric hospitals	872,010	887,548	1.8	355,019	13
346	Federal hospitals[12]	349,283	381,711	9.3	301,576	13
6,853	**Total—Hospital feeding**	**$ 7,182,733**	**$ 7,641,436**	**6.4%**	**$ 3,439,473**	
25,130	Nursing homes, homes for the aged, blind, orphans, mentally and physically handicapped[13]	$ 2,549,132	$ 2,704,629	6.1%	$ 1,661,624	14
	Miscellaneous					
10,310	Clubs	$ 1,163,622	$ 1,275,330	9.6%	$ 533,088	5
2,249	Sporting and recreational camps	115,828	115,250	-0.5	69,150	1,11
15,210	Community centers	356,501	344,023	-3.5	405,941	12
N/A	Convents and seminaries	···	···	···	110,491	17
27,769	**Total—Miscellaneous**	**$ 1,635,951**	**$ 1,734,603**	**6.0%**	**$ 1,118,670**	
	Penal Institutions					
791	Federal and state prisons	···	···	···	$ 335,246	15
3,493	Jails	···	···	···	260,182	16
4,284	**Total—Penal institutions**				**$ 595,428**	
167,034	**Total—Group II**	**$ 18,676,663**	**$ 19,733,319**	**5.6%**	**$12,074,248**	
556,303	**Total—Groups I and II**	**$128,831,994**	**$137,178,240**	**6.5%**	**$51,451,884**	
	Food Furnished in Food Service Employees in Groups I and II	···	···	···	$ 3,623,546	18
556,303	**Total—Groups I, II and FSE**	**$128,831,994**	**$137,178,240**	**6.5%**	**$55,075,390**	
	Group III: Military Feeding					
N/A	Defense personnel	···	···	···	$ 1,765,884	18
700	Officers and NCO Clubs (open mess)[14]	$ 436,047	$ 471,367	8.1%	172,520	28
556	Military exchange foodservice[14]	228,296	242,793	6.4	101,973	28
1,256	**Total—Group III**	**$ 664,343**	**$ 714,160**	**7.5%**	**$ 2,040,377**	
557,559	**GRAND TOTAL**	**$129,496,337**	**$137,892,400**	**6.5%**	**$57,115,767**	

Sources and footnotes for table on pages 40–41

Sources

1. U.S. Bureau of the Census: Census of Business; *1977 Census of Retail Trade; Merchandise Line Sales; Sales Size; Miscellaneous Subjects; 1977 Selected Services; Hotels, Motels, Trailering Parks and Camps; 1982 Preliminary Census of Retail Trade, Sales Size, Merchandise Line Sales, Miscellaneous Subjects; 1977 Census of Selected Services, Current Retail Trade Reports, 1981 and 1982 Service Annual Survey, Series BS.*
2. Industry sources.
3. Based on data from U.S. Department of Agriculture, Food and Nutrition Service; HEW Office of Education, "Fall 1982 Statistics of Public Schools"; HEW, *Digest of Educational Statistics 1981, 1982;* National Catholic Education Assn./Granley's 1980 and 1981, *Catholic Schools in America; Current Population Reports, Series P-20, Nos. 222, 303, 319 and 321.*
4. Estimated: Based on *College and University Business*, December 1970; HEW, *Digest of Educational Statistics 1981, 1982;* HEW advanced 1983 data; Bureau of the Census, *Current Population Report, Series P-20, No. 245*, "Living Arrangements of College Students," October 1971; HEW, National Center for Educational Statistics, unpublished data.
5. Estimated: Based on U.S. Department of Commerce, Bureau of Economic Analysis; "Personal Consumption Expenditures," *Survey of Current Business* July 1983; Pannell, Kerr, Forester, *Clubs in Town and Country 1982.*
6. Estimated: Based on data supplied by U.S. Maritime Commission, Immigration and Naturalization Service; *Statistical Abstract of the United States 1983*, Tables 1125 and 1129.
7. Estimated: Based on data supplied by American Waterways Operators, Inc.; individual companies; *Statistical Abstract of the United States 1983*, "Waterborne Commerce of the U.S.," Table 1114.
8. Estimated: Based on data supplied by the U.S. Maritime Commission, Immigration and Naturalization Service and individual passenger lines; *Statistical Abstract of the United States 1983*, Tables 413 and 1133.
9. Estimated: Based on data supplied by Air Transport Association, *Air Transport World;* individual companies and Merrill, Lynch, Pierce, Fenner & Smith air transport analyst; *Statistical Abstract of the United States 1983*, Tables 1099 and 1103.
10. Estimated: Based on data supplied by the Amtrak Corporation.
11. Estimated: Based on data from the American Camping Association and individual companies.
12. Estimated: Based on information from YMCA Statistical Division; U.S. Department of Agriculture, Food and Nutrition Service; and industry sources.
13. Estimated: Based on data from the American Hospital Association, *Hospital Statistics 1983*, "HAS Six-Month National Comparison Period Ending June 30, 1981, June 30, 1982, December 1981 and December 1982"; American Hospital Association; Veterans Administration and individual companies.
14. Estimated: Based on data from the National Center for Health Statistics; *1980 Census of Population;* American Hospital Association; *NIH Master Facilities Inventory, 1978;* unpublished data.
15. Estimated: Based on information from the Department of Justice, Bureau of Prisons, "Prisoners in State and Federal Institutions," December 31, 1982, *Corrections Magazine.*
16. Estimated: Based on Department of Justice, Law Enforcement Assistance Administration, *Census of Jails and Survey of Jail Inmates, 1978*, and unpublished data.
17. Estimated: Based on information from the *Official Catholic Directory*, P.J. Kennedy & Sons; interviews with suppliers.
18. Defense Personnel Support Center, Philadelphia, unpublished data; Bureau of Economic Analysis, "Personal Consumption Expenditures," *Survey of Current Business*, July 1983.
19. Estimated: Based on "Survey of the Industry," *Vending Times*, June 1982 and June 1983.
20. Industry sources.
21. U.S. Department of Commerce, Bureau of Domestic Commerce, *Franchising in the Economy, 1982–84.*
22. U.S. Department of Labor Bureau of Labor Statistics, *Producer Price Index* and *Consumer Price Index.*
23. Company annual reports.
24. Estimated: Based on Bureau of Economic Analysis, *Statistical Abstract of the United States 1983*, Tables 387, 390, 403, 404; "Personal Consumption Expenditures," *Survey of Current Business*, July 1983.
25. Estimated: Based on Laventhol & Horwath, *Lodging Industry 1983;* Pannell, Kerr, Forester, *Trends in the Hotel Industry, USA Edition, 1983.*
26. American Hotel & Motel Association, *Construction and Modernization Report.*
27. Based on Bureau of Labor Statistics, *Employment and Earnings:* "Occupation of Employed Workers by Sex 1960–1962," and "Employment by Industry, 1970–1982;" *Statistical Abstract of the United States 1983*, Table 705.
28. Army Times Publishing Co.
29. *AudArena Stadium, 1983.*
30. National Retail Merchants Association, *Department and Specialty Store Merchandising and Operating Results of 1982.*

Footnotes

1. Data are given only for establishments with payroll.
2. Figures are latest census area reports or merchandise line detail counts or updates when reliable data become available.
3. Unit count includes only those establishments serving food; however, sales figure is for all bars and taverns with payroll.
4. Food only. Cost of alcoholic beverages totaled $2,420,094,000.
5. Food and drink sales for nonpayroll establishments totaled $2,769,837,000 with eating places accounting for $1,861,088,000 and drinking places, $908,749,000.
6. Food purchase only.
7. Individual businesses, not locations. Contract feeders are included in eating place totals in all Bureau of the Census publications although their sales volume figures are significantly understated.
8. Includes SIC 59 except 591 and 596.
9. Includes sales of hot foods, sandwiches, pastries, coffee and other hot beverages.
10. School lunch commodities furnished in the calendar year 1982 under Secs. 6, 32 and 416 were worth $822,468,650. In addition, 202,445,920 half-pints of milk worth $18,985,760 were supplied.
11. Total number of colleges and universities which have foodservice whether contracted or not.
12. Represents sales or commercial equivalent to employees.
13. Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in the grouping make no charge for food served.
14. Continental U.S. only.

***These institutions make no charge for food served.

... Sales, from p. 39

ate 5.5 percent. Many of the recreation parks experienced traffic declines, but higher per capita spending more than offset the lower attendance rates.

Bowling lane food and beverage sales were up 4.6 percent during 1982, down from the 9.2 percent increase recorded one year earlier. This was primarily due to a 0.7 percent decline in bowling participation.

Foodservice sales at *sporting and recreational camps* dropped 0.5 percent due to the decrease in the number of camps and the large sums it now takes to send a child to camp.

Foodservice sales at health care facilities reach $11.3 billion . . .

Foodservice sales at health care facilities rose 6.6 percent and reached $11.3 billion in 1982. In most cases, the higher sales were the result of more meals served to employees at health care facilities rather than more meals served to patients. Foodservice contractor sales at *hospitals and nursing homes* posted the highest increase—9.6 percent. The number of nursing homes under contract continues to rise due primarily to cost containment.

Institutional sales at *state and local short-term hospitals* rose 9.5 percent due to a substantial 6.8 percent increase in full-time employees. Sales at *federal hospitals* were up 9.3 percent. These institutions also experienced a signficant gain in full-time employees—6.6 percent. *Voluntary and pro-*

prietary hospitals posted the highest jump in total employees—9.5 percent—which contributed to a 6.5 percent increase in foodservice sales. *Long-term hospitals* experienced a modest 1.8 percent sales increase and a 1.6 percent advance in full-time employees.

Nursing homes recorded a 6.1 percent increase in foodservice sales. This could be more substantial since the elderly senior citizen population over 85 is starting to climb. Tight construction funds and a growing preference to care for the elderly at home has moderated the increase.

Community centers sales declined . . .

Food and drink sales at *community centers* dropped 3.5 percent to $344 million in 1982. Cutbacks in school breakfast programs and summer feeding programs contributed to the decline in sales. Increases in elderly feeding programs, however, helped offset the decrease.

Military feeding group sales up . . .

The military feeding group experienced a 7.5 percent gain in foodservice sales, reaching $714 million in 1982. Food and drink sales at *officers' and NCO clubs* were up 8.1 percent and totaled $471 million. Total sales at *military exchange foodservice establishments* reached $243 million and advanced 6.4 percent. Military sales will most likely continue to expand in future years, benefiting from national efforts to boost troop strength.

Definitions, sources and methodology

Although there are many ways to define the components of the foodservice industry, this report organizes the various elements into three major groups: the Commercial Feeding Group, the Institutional Feeding Group and the Military Feeding Group. For a description of each category, please see the box on page 44. Portions of the Commercial Feeding and Institutional Feeding Groups have been recombined into categories, such as employee, health care and educational feeding, in the analysis of sales performance in 1982.

In addition to these general categories, this report defines a restaurant or lunchroom as an establishment that provides waiter service.

In contrast, a limited menu or refreshment place usually does not provide waiter service but rather an order is placed and picked up by the patron at a counter. Further, leased department restaurant sales are reported in the eating place sector rather than in their host location. For example, sales for fast food restaurants on military bases are reported in the limited menu category, not in the Military Feeding Group. Similarly, sales for a restaurant leased in a hotel will show up in the restaurant category, not in lodging places. The Bureau of the Census uses these same definitions.

Readers may note that the 1982 eating place sales figures presented here are lower than those published by the Census Bureau in its "Current Retail Trade Reports" series. (Census revised its 1982 sales figures in April 1983 and in April 1984.) The Census data include contract feeders. In this report all contract feeding appears as a separate Commercial Feeding Group segment.

Study figures . . .

The figures in this study were obtained from trade associations, various government data (both published and unpublished), published reports and discussions with foodservice executives in many segments of the industry. Whenever possible, several approaches and sources were used for the industry segment under examination to arrive at a set of answers in close agreement with each other. This has proved particularly useful when data are "soft."

Source materials used in making our estimates are listed on page 42 and are noted on the table on pages 40 and 41.

Sales data for many of the Commercial Feeding Group segments of the foodservice industry are based on preliminary data from the *1982 Census of Retail Trade* and may be subject to revisions when the final reports are available later this year.

At the time NRA was preparing its 1982 estimates, preliminary sales figures were available for only restaurants and lunchrooms, refreshment places (fast food), drinking places, variety stores, drug and proprietary stores and liquor stores. As a result, revisions to 1981 sales figures for these segments have been made

Percent change in economic indicators and foodservice industry sales 1981–1982

	Current dollars	Real dollars*
Gross National Product (GNP)	4.0%	−1.9%
Personal consumption expenditures	7.2	1.4
Durable goods expenditures	3.5	−1.0
Non-durable goods expenditures	3.7	0.5
Services expenditures	11.2	2.9
Disposable personal income	6.3	0.5
Foodservice industry	6.5	1.2
Commercial feeding	6.6	1.3
Eating places**	7.8	2.5
Institutional feeding	5.6	0.4

* Adjusted for inflation

**Eating places include restaurants, lunchrooms, social caterers, commercial cafeterias, limited menu restaurants as well as ice cream and frozen custard stands

Sources: Survey of Current Business, July 1983, Malcolm M. Knapp, Inc.

and are published for the first time in this report. A final set of revisions for all eating place and retail host categories will be made when final *1982 Census of Retail Trade* reports are issued.

Sales for hotels, motels, camps and clubs are based on information published in the *1977 Census of Selected Services*. Merchandise line information from the *1982 Census of Retail Trade* was used when available for determining the proportion of meals and snack sales to total sales for eating and drinking places, retail hosts and non-store retailers. When 1982 data were not available, proportions published in the 1977 reports were used.

For the Commercial Feeding Group, sales figures were determined first, and then food and drink purchases were calculated from the sales figures on the basis of food and beverage costs as a percent of sales. In the Institutional Feeding Group, purchases were calculated from a cost per meal times the number of meals consumed in the particular segment. Where a direct charge is not made, such as in a proprietary hospital, commercial equivalent sales were calculated as a multiple of food costs.

There are some exceptions, however. For airlines, estimated sales were taken to mean estimated purchases from a contractor or the internal cost of foodservice operations by the airline. The sales figures do not include the cost of serving meals or beverages. When there is no charge for the serving of meals, as in federal hospitals, which do not charge veterans for service, this report assumes no sales transaction occurred.

Sales data for many of the Commercial Feeding Group segments of the foodservice industry are based on preliminary data from the *1982 Census of Retail Trade* and may be subject to revisions when the final reports are available later this year.

At the time NRA was preparing its 1982 estimates, preliminary sales figures were available for only restaurants and lunchrooms, refreshment places (fast food), drinking places, variety stores, drug and proprietary stores and liquor stores. As a result, revisions to 1981 sales figures for these segments have been made and are published for the first time in this report. A final set of revisions for all eating place and retail host categories will be made when final *1982 Census of Retail Trade* reports are issued.

Editor's Note: *If you have questions concerning the content of this article or would like to request additional copies, contact Cecelia Niepold or Bette Hoyt at the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001; (800) 424-5156 or (202) 638-6100.*

NRA foodservice industry— terms of reference

There are many ways to define the components of the foodservice industry. We have chosen a way that seems reasonable, but we recognize that this is a complex industry and that there are several communities of industry participants.

NRA's approach breaks the elements of the foodservice industry into many segments so that industry participants can recombine these segments into different major groups or subgroups to suit their particular needs. Groupings are to some extent arbitrary, and the categories rarely have neat, sharp boundaries.

We define the foodservice industry as encompassing all meals and snacks prepared outside the home and, therefore, include all takeout meals and beverages in this definition.

The major foodservice groupings used by the NRA in its analysis of the industry are as follows:

Commercial Feeding (Group I): This group comprises those establishments that are open to the public, are operated for profit and may operate facilities and/or supply meal service on a regular basis for others.

Commercial feeding accounts for 85 percent of industry sales, and includes eating and drinking places, foodservice contractors, hotel and motel restaurants and restaurants in department stores, drugstores, etc.

Eating places: Dollar sales for eating places are for those with payroll only. Thus our figures may be slightly lower than estimates that include all establishments. Our dollar volume estimates for eating places refer to restaurants and lunchrooms, commercial cafeterias, limited menu restaurants, ice cream and frozen custard stands and social caterers. They do not include contract feeders, which are shown separately, although the Bureau of the Census data include contract feeders in their eating place category.

Institutional Feeding (Group II): This group comprises the business, educational, government and institutional organizations that operate their own foodservice. Food is provided as an auxiliary service to complement their other activities. While some establishments operate at a profit, this is not the aim of the foodservice activity. Rather, they serve food principally as a convenience for their own employees, students, patients, etc.

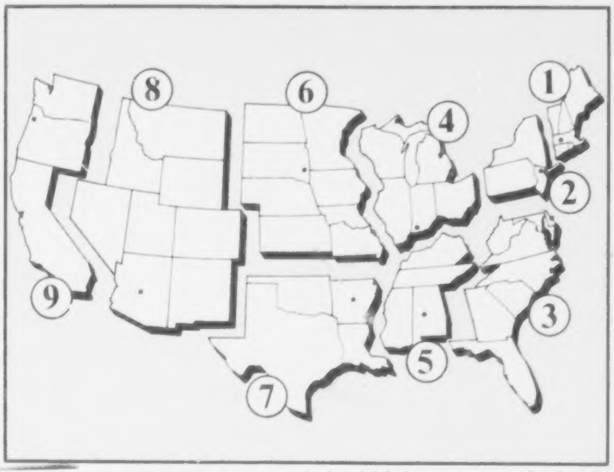
Military Feeding (Group III): This group comprises the sales of food and beverages at officers' and NCO clubs and military exchanges as well as defense foodservice to the troops. This group has been shown separately because most suppliers treat it as a distinct entity for sales purposes.

—Cecelia Niepold and Bette Hoyt

HOW'S BUSINESS?

by Cecelia Niepold

The nine restaurateurs interviewed this month seem proud of their establishments' progress and optimistic about the future. Business may be slow at times, but owners continue to focus on ingenuity, creativity and hard work to build their business and expand into new areas.



1
NEW ENGLAND

Location: Holyoke, MA
NRA member: Frank Banks
Operation: Yankee Pedlar Inn
Profile: An early American inn, with banquet facilities and three eateries—a dining room, an oyster bar and a small French restaurant.
In business: 7 years
Seats: 150 plus 350 banquet seats
Meals served: Breakfast, lunch, dinner

Business was somewhat slow in Massachusetts this past winter, but has picked up since Easter, according to **Frank Banks,** owner of the Yankee Pedlar Inn. He is optimistic about the area's future. "Generally our economy should be fairly stable for the next few years. Our unemployment rate is low, and the area is becoming more in demand as more people and businesses move out of the crowded Boston area," he explains.

Banks' optimism is reflected in his renovations. He has relandscaped, installed heat to outdoor walkways between buildings (so customers don't have to wade through snow and ice), and is adding a Victorian solar greenhouse. The addition will add 100 to 150 seats and will feature an herb garden, which patrons will sample.

2
MID ATLANTIC

Location: West Orange, NJ
NRA member: Donald Horn, Jr.
Operation: Pals Cabin and Mayfair Farms
Profile: Family-owned restaurant and banquet facility
In business: 52 years
Seats: 350 plus 1,500 banquet seats
Meals served: Breakfast, lunch, dinner

A prime location—20 miles west of New York City and 15 minutes from Newark, NJ—has boosted business in West Orange. **Donald Horn, Jr.,** manager of Pals Cabin and Mayfair Farms, says sales are up approximately five percent—in real dollars—from last year. He attributes this impressive growth to the high concentration of new office space in the area. "A lot of major corporations are moving out of the city," he explains.

The family-owned organization has grown since it opened in 1932 when West Orange was out in the country and visitors had to travel a dirt road to dine at Pals Cabin. Now, surrounded by dual highways and sleek office buildings, Horn has adapted to the corporate climate by establishing a private luncheon club for business people. 'I don't know of any other like it in the suburbs. It's definitely added to our business," he says. The club offers amenities that are typical of many private business clubs in cities, such as personal charge accounts.

3
SOUTH ATLANTIC

Location: Dewey Beach, DE
NRA Member: Jay Prettyman
Operation: The Rusty Rudder
Profile: Upscale but casual waterfront complex
In business: 6 years
Seats: 376
Meals served: Lunch, dinner

Business continues to grow in Dewey Beach—a resort area located on the Delaware shore. The recession didn't affect the area too much due to the large number of tourists from nearby Baltimore, MD, and Washington, DC. "People may not be budgeting for long vacations, but they're still spending on smaller weekend trips at the shore. In that way, we're getting the benefit of the slower economy," speculates Hank Rosenberg, manager of the Rusty Rudder.

Owner **Jay Prettyman** has taken advantage of the beautiful bayfront location and added a retail complex—Rudder Towne—right next to the Rusty Rudder. It includes small shops and several other restaurants. The newer restaurants are also doing well and a breakfast eatery is scheduled to open this summer.

Maintaining a good relationship with local customers by offering innovative promotions during the off-season winter months has helped business thrive year round.

4
EAST NORTH CENTRAL

Location: Evansville, IN
NRA member: Nicholas Wolf
Operation: Wolf's Bar-B-Q, Inc.
Profile: Two barbecue establishments with dining rooms and carryout
In business: 31 years
Seats: Average 400
Meals served: Lunch, dinner

Business is still somewhat depressed in Evansville, according to **Nicholas Wolf,** owner of Wolf's Bar-B-Q, Inc. "The economy is starting to come back, but it's not up like the rest of the country," he says. Even so, he's optimistic about 1984 and is particularly positive about his operation. He's planning to expand the number of his establishments—perhaps across the country—and capitalize on his successful barbecue concept.

What makes his barbecue special? "It's genuine. We barbecue on an open pit with genuine hickory wood—like barbecues are supposed to be," he maintains.

Barbecue's popularity is nothing new in Evansville. It's been a specialty in the area since the early 1920's.

5

EAST SOUTH CENTRAL

Location: Tuscaloosa, AL
NRA member: Tom McJenkin
Operation: 2 Lady's Inc.
Profile: Casual restaurant/bar serving mostly fast food
In business: 4 years
Seats: 120
Meals served: Lunch, dinner

Business is slowly picking up in the Tuscaloosa area, but a fairly high unemployment rate is still affecting the overall economy. "We've seen an upswing in dollars—not a drastic jump—but I can see an improvement," says **Tom McJenkin,** owner of 2 Lady's Inc.

McJenkin feels that knowing your market and paying attention to customer preferences is the key to success. By offering mid-priced meals, his business didn't drop off as much as business at higher priced restaurants during the recession. "People still want to go out to eat. They just don't want to spend as much," he notes.

6

WEST NORTH CENTRAL

Location: Sioux Falls, SD
NRA member: Harry Whelden
Operation: The Maine Lobster
Profile: Tablecloth restaurant specializing in fresh seafood
In business: 10 years
Seats: 220
Meals served: Lunch, dinner, Sunday brunch

"Sioux Falls is a great place to do business," says **Harry Whelden,** owner of The Maine Lobster. A broad-based economy—small industry and agriculture—has kept Sioux Falls' business climate healthy. "People tightened their belts a little during the last couple of years, but we never really felt the recession," he explains.

Originally from Maine, Whelden had a frozen lobster tail in a restaurant one night in South Dakota and was so disappointed he decided to bring Maine to the Midwest. He started his own restaurant, which specializes in fresh seafood, and became a fresh fish and live lobster wholesaler throughout the Midwest.

It wasn't easy at first to get beef loving customers acquainted with fresh fish and lobsters, says Whelden. So he offered a lot of combination dinners. "Now, people are ordering lobster without the steaks," he says proudly. He believes the concern with nutrition has also helped boost the demand for fresh fish.

7

WEST SOUTH CENTRAL

Location: Little Rock, AR
NRA member: Ed David
Operation: The Faded Rose, Inc.
Profile: Casual theme restaurant
In business: 2 years
Seats: 72
Meals served: Lunch, dinner

Business is picking back up in Little Rock, the state capital of Arkansas. A variety of industries, including light manufacturing and financial businesses, have contributed to the area's growth. **Ed David,** president of the Faded Rose, Inc., started his business in the middle of the recession and has noticed a substantial improvement. "We're running 15 to 18 percent ahead of last year's monthly figures," he says.

The Faded Rose specializes in New Orleans' style steaks and seafood. According to David, good food and good staff are the major factors behind his restaurant's success.

Where did the name Faded Rose come from? "A love of country music and roses, I guess. I just put the name of the song, 'Faded Love,' and roses together," David explains. Roses—fresh, not faded—grace the tables and add to the restaurant's theme and decor.

8

MOUNTAIN

Location: Cave Creek, AZ
NRA member: Ed Chilleen
Operation: Crazy Ed's Satisfied Frog
Profile: Casual, Western, all-American theme establishment
In business: 2 years
Seats: 140
Meals served: Lunch, dinner

Business is excellent in Cave Creek, a resort area 25 miles north of Phoenix, according to **Ed Chilleen,** owner of Crazy Ed's Satisfied Frog. The economy is growing and so is his business. "We opened this restaurant two years ago. The first Saturday night we did 45 dinners, and last Saturday night we served almost 400," he explains.

The checkered tablecloths, sawdust on the floor and unusual features, such as the donut machine at the door, provide a comfortable, all-American atmosphere.

Why a donut machine? "I've seen those machines at the NRA Show, smelled the donuts cooking and decided to put one in a restaurant," he recalls. Every customer is offered a fresh donut on his way out. "This gives people something to eat for breakfast and makes them think of the Satisfied Frog," he says.

9

PACIFIC

Location: Clatskanie, OR
NRA member: Eric Sellix
Operation: Hump's Restaurant and Camel Room Lounge
Profile: Full-service restaurant with a coffee shop, banquet room and lounge
In business: 36 years
Seats: 250
Meals served: Breakfast, lunch, dinner

Business is still somewhat slow in Clatskanie, Oregon—a small mill town (population: 1,600) located between Portland and the coast. "In our local area, and probably through most of the Pacific Northwest, we haven't recovered from the recession as rapidly as some parts of the country," explains **Eric Sellix,** owner of the Hump's Restaurant and Camel Room Lounge. Even though there is still some uncertainty about the building business, Sellix is confident that the economy is improving.

Sellix has recently switched to typesetting the restaurant menu on a computer. "It allows us to consistently introduce new items," he explains. Although he's not 100 percent satisfied with the quality yet, he believes the new technique has saved a substantial amount of money in printing costs.

FOOD FOR THOUGHT

Texas: here we come

What does New York City have that Texas doesn't? State and residential taxes. That's why Greenwich Village's Lone Star Cafe—a haven for displaced Texans which features live country music and cowboy cuisine—voted to secede from New York and annex to Texas.

Two years ago, the state of Texas proclaimed the Lone Star Cafe its "official embassy" to New York.

Since owner Mort Cooperman polled his patrons and found that 72 percent still find their loyalties deep in the heart of Texas, he proclaimed, "We will proceed with the necessary steps to begin the legal process of secession and the legal application for annexation."

—*Washington Times*

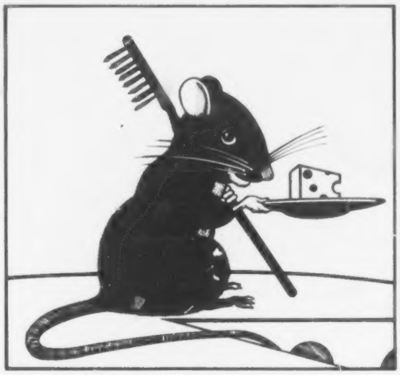
Eat cheese and smile

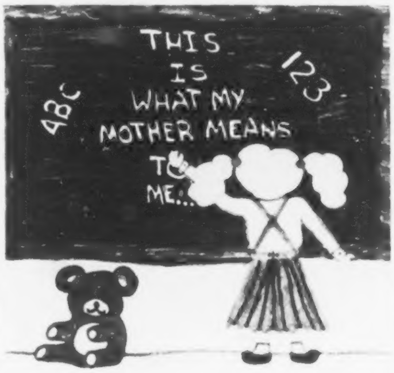
Photographers have been telling us to say cheese and smile for years. Soon dentists may be telling us to eat cheese and smile.

After testing 100 different foods, researchers have found that cheese stands alone in fighting plaque acid formation that eats into tooth enamel and causes decay. Charles Schachtele, a professor of dentistry at the University of Minnesota, has found that aged cheddar, Monterey Jack and Swiss cheeses reduced the plaque acid formation by a thousandfold in subjects who ate cheese, then drank sugar water 30 minutes later. Brie, Gouda, blue and mozzarella cheeses also were effective but less so than the other varieties.

Prof. Schachtele says, "This information may lead us to the natural component in foods that inhibits decay and, ultimately, to the creation of snack foods safe for teeth."

—*USA Today*




THIS IS WHAT MY MOTHER MEANS TO ME...
ABC
123

The winning card

In honor of Mom

Few things can beat a greeting card lovingly created by a child for Mom on Mother's Day. That is why Kentucky Fried Chicken and *Good Housekeeping* developed a greeting card competition.

To help fourth, fifth and sixth grade students express their feelings for Mom, a lesson plan on verbal and visual communication was sent to 70,000 public, private and parochial elementary schools across the nation. The plan culminated with each child creating a Mother's Day card, which was entered in the contest.

Lori Broglio, sixth grader at St. Anne's School in Bristol, VA, triumphed over the 500,000 entries in the second annual competition. The card Broglio created for her mom was produced and distributed by Drawing Board Greeting Cards of Dallas, TX, to 2,000 stores nationwide in time for Mother's Day. In addition, Broglio received $2,500 and the opportunity to go to New York City with her mother.

The 10 national finalists received cash awards ranging from $250 to $1,000. Teachers of the finalists received a Radio Shack Color Computer II, and the schools received a set of *World Book Encyclopedia*. Each of the 50 state winners received a Radio Shack MC-10 home computer.

Kitchen privileges

Small catering companies, bakers and candy makers in the Washington, DC, area who need kitchen space but don't have the money to build their own can rent Kitchen Privileges in Alexandria, VA.

The rent-a-kitchen concept began three years ago when Saul Barry Wax and a friend wanted to make their own brand of chili. "We found local caterers who would rent out their kitchens when they weren't using them, but we couldn't find any facilities available to cooks on a 24-hour-a-day, 365-days-a-year basis," says owner Wax. So he started his rent-a-kitchen company called Kitchen Privileges. Up to six cooks use it as many as six to 14 hours a day. Kitchen Privileges is licensed by local, state and federal health authorities and comes fully equipped with ranges, broilers and stockpots—all for $27 an hour. Clean up is not included, but a mop comes with the hourly fee.

—*USA Today*

Two NRA National Conference Programs

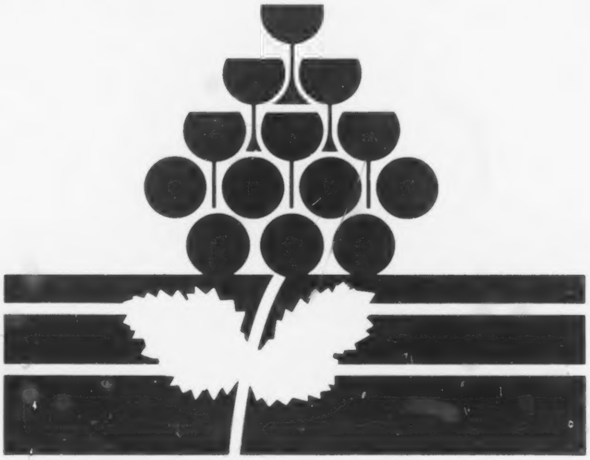
NRA's National Conference Series brings together the best informed people in our industry to focus on issues essential to the success of foodservice operations. The first two programs of the 1984-85 series are the National Conference on Marketing, Advertising and Promotions and the Ninth Annual California Wine Workshop.

National Conference on Marketing, Advertising and Promotions

Aboard the Queen Mary
Long Beach, California
August 26–29, 1984

Foodservice marketing innovations of the 80s is the focus of this year's program. We'll take an in-depth look at the critical issues surrounding foodservice advertising and promotions. Presentations by some of the most creative and successful individuals in our industry will make this conference the one marketing program of the year which you can't afford to miss.

Ninth Annual California Wine Workshop



Sonoma Mission Inn
Sonoma, California
September 29–October 3, 1984

This year we will travel to the heart of one of America's leading wine centers— Sonoma, California—to tour some of the top wineries in the country and taste their finest wines. From in-depth discussions with the winemakers themselves to tastings of at least 75 wines of the region, this intensive four-day wine tour is one of the most comprehensive and enjoyable wine programs available.

More information:

Complete brochures are available from NRA on both of these NRA National Conference Programs. For more information, call 800/424-5156 (toll-free) or 202/638-6100 or write NRA, National Conference Series, 311 First St., NW, Washington, DC 20001

National Restaurant Association
Vol. 4 □ No. 7 □ August 1984

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NRA NEWS

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WASHINGTON DC 20014

The dish ran away with the spoon

Theft: How to prevent it

NRA NEWS
Vol. 4, No. 7 August 1984

NRA MEETINGS

American Regional Cookery

10/24	Hyde Park, NY

Simplified Baking Workshop

9/11	Denver, CO
9/13	St. Louis, MO
10/23	Albany, NY

Off-Premise Catering

9/17–18	Knoxville, TN
10/8–9	Albuquerque, NM

Computers in Foodservice: A Primer

9/10	Los Angeles, CA
10/15	Washington, DC

Computers in Foodservice: Advanced Technologies/Now That I Have One . . .

9/11	Los Angeles, CA
10/16	Washington, DC

Perfecting Your Culinary Skills

9/11	Detroit, MI
9/13	Minneapolis, MN
10/16	Orlando, FL
10/18	Miami, FL

Restaurant Design & Facilities Planning

9/17–18	Boston, MA

Dining Room Management

9/4	Rochester, NY
9/10	Toronto, Canada
9/12	Ottawa, Canada
9/17	New Orleans, LA
10/25	Tucson, AZ

Food Cost Management

10/2	Wilmington, DE
10/4	Hyannis, MA
10/11	Phoenix, AZ
10/22	Shreveport, LA

Kitchen Management

9/4	Scranton, PA
9/6	Indianapolis, IN
9/20	San Francisco, CA
10/2	Appleton, WI
10/11	Williamsburg, VA
10/15	Louisville, KY

Controlling Labor Costs

9/10–11	Oakbrook, IL
10/15–16	Atlanta, GA

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

9/19–20	Raleigh, NC
10/15–16	Minneapolis, MN

Planning & Implementing Restaurant Marketing Strategy

9/11–12	Oklahoma City, OK
10/3–4	Seattle, WA

Creative Merchandising Techniques

9/11	Stratton, VT
10/9	Washington, DC
10/10	Williamsburg, VA
10/27	Wichita, KS

The Pantry: Prep for Profit

10/30	Des Moines, IA
11/1	Chicago, IL

Foodservice Productivity

9/20	New Orleans, LA
10/17	Boston, MA

Soups and Sauces

9/4	Louisville, KY
9/6	Knoxville, TN

Basic Supervision in Foodservice

9/11	New Haven, CT
9/18	Pocatello, ID

Tools for Training

9/19	Wilmington, DE
10/1	Portland, OR
10/22	King of Prussia, PA
10/24	Lansing, MI

Hospitality Workshops

9/11–12	Full Service Chicago, IL
9/13–14	Fast Food Chicago, IL
9/17–18	Full Service San Francisco, CA
10/29–30	Full Service Denver, CO
10/31–11/1	Fast Food Denver, CO
11/7–8	Cafeteria Los Angeles, CA

National Conference Series

8/26–29	National Conference on Marketing, Advertising and Promotions Long Beach, CA
9/29–10/3	Ninth Annual California Wine Workshop Sonoma, CA
10/28–31	National Conference on Off–Premise Catering Washington, DC

For more information, contact

NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156 or (202) 638-6100

IN-HOUSE PROGRAMS ARE AVAILABLE UPON REQUEST

STUDY GROUP MEETINGS

Internal Audit

9/4–7	Boston, MA

Financial Officers

9/5–7	Boston, MA

Tax Executives

9/5–7	Boston, MA

Market Research

9/19–21	Portland, OR

Marketing Executives

10/14–17	Chicago, IL

EDP

10/16–19	Toronto, Canada

Purchasing Managers

10/17–19	Orlando, FL

Quality Assurance

October	San Antonio, TX

MAECO

November	Denver, CO

Safety Officers

January	Miami, FL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

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Editorial Typists
Barbara Foley
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Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

Members are reporting that it's been a good summer for the foodservice industry. Greater discretionary funds have meant more meals away from home, and a record level of summer vacationers have swelled customer counts.

Promoting careers in foodservice

Despite the busy season, NRA officers and directors have been active on your behalf. A special task force is holding a series of meetings investigating what we need to do to increase the pool and quality of persons interested in foodservice as a career. (See story p. 9)

We know we need more information on public attitudes toward careers in foodservice, and the public needs more information about what we, as an industry, have to offer our employees. NRA is preparing to tackle these problems in a significant way.

Developing strategies on wage issues

Preparation is also underway for the first meeting of NRA's Labor Issues Study Group—a Board-level committee which will review proposed and existing laws governing employee compensation. This committee will develop strategies to further your interests in regard to

- minimum wage proposals
- youth opportunity wage
- higher level of tip credit
- status of exempt managers and
- repeal of FUTA tax on tip income.

Celebrating Grandparents Day

On September 9, thousands of NRA members will be using materials and ideas distributed by NRA to promote Grandparents Day. Besides producing posters, table tents and a brochure of promotional ideas, your association is spreading the word about the holiday through the media. You may already have heard the Grandparents Day announcement that was distributed to radio stations across the country by satellite.

As a grandfather, I think Grandparents Day is a first-rate idea. As a restaurateur, I know it's good for business. NRA will continue to promote this holiday until everyone in America knows that the first Sunday after Labor Day is the day that all Americans take their grandparents out to eat.

Getting out the facts

This year's "Foodservice Industry Pocket Factbook" is included in this issue of ***NRA NEWS***. This is a small, but powerful document. It contains the figures which show how essential our industry is to the American lifestyle and to the economy. We employ eight million people and account for five percent of the GNP. We continue to promote these key facts, and you may find this factbook useful to you on those occasions when you have the opportunity to talk about our industry.

You are our industry's best PR men and women. Carry the pocket factbook in your wallet or purse and cite it often.

Placing your name on the roll of honor

Early next month you will receive a much bigger NRA publication—a copy of the 1984–85 NRA Membership Directory. It includes a full calendar of industry events and a classified buyer's guide for restaurateurs. More important, it contains a state-by-state listing of all NRA members—the leading and most dedicated foodservice operators in the country. I am delighted that the name of your company is listed in this book of distinction.

Taking action on DWI

Positive response to NRA's information packet, "Help Prevent Drunk Driving," has been overwhelming. Only weeks after those member companies that sell alcohol received it, I am getting reports of a wide variety of new programs introduced by restaurateurs who want to do their part. As you get into your own program, let us know about it. Send a brief description or a sample of your materials to the attention of the NRA Communications Department.

During the past month, 118 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your business will grow through participation in NRA activities, and your association can be more effective in its endeavors.

Sincerely,

Harris

Harris O. Machus
President and Chairman of the Board

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Cover Story

According to crime prevention experts, five cents of every dollar a restaurant rings up in sales is lost to theft. Because most of this loss could be prevented by a good system of internal controls, this month the ***NRA NEWS*** looks at ways you can tighten your operating procedures to cut back on pilferage.

10 NRA members discuss their techniques for maintaining internal security. Note the boxes on prudent cash register policies and preventing credit card fraud.

14 Computer security should not be overlooked. This article presents eight steps to protect your information resources.

17 Practical suggestions for tighter security—from screening procedures to undercover surveillance. Don't miss the sidebar on customer theft.

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Seafood **21** Creative suggestions for selecting and preparing fish and shellfish.

Law **26** Critical legal issues facing foodservice operators. The article examines dress codes and sex discrimination claims, pregnancy, sexual harassment, meal credits and executive exemptions.

Nutrition **29** Case study: Ten Mankato, Minnesota restaurants participate in community-wide campaign to reduce heart disease.

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To Your Health **37** Food irradiation: no longer a technique of the future.

Foodservice Trends **38** Revised forecast for 1984 food and drink sales. New format for Crest Report based on data from the CREST *Household Report*.

How's Business **45** This month the report comes from Bar Harbor, ME; Reading, PA; Pawleys Island, SC; Wauwatosa, WI; Knoxville, TN; Omaha, NE; Dallas, TX; Billings, MT; and Vancover, WA.

Food for Thought **47** University curbs theft with imaginative giveaway program.

Cover illustration: Burkey Belser

SHORT ORDERS

NRA member implements Hospitality Project

Grisanti, Incorporated, a Louisville, KY-based company of four full-service restaurants, has obtained certification from NRA for successfully completing its new Hospitality Project and implementing the hospitality program in all aspects of its foodservice operations. NRA's Hospitality Project provides restaurant operators and their staffs with measurable standards for quality service.

NRA presented the Hospitality Project in October 1983 to the Grisanti management staff. John Gwynn assumed the position of project coordinator, overseeing the training of management and staff as well as project implementation. The corporation successfully completed all staff, management, project coordinator and restaurant certification steps as well as the Hospitality Project Self-Auditing Checklist in six months.

Grisanti Incorporated, has been in the foodservice business since 1959. Its restaurants include Casa Grisanti's, Mama Grisanti's, and Sixth Avenue all of Louisville, KY; and a Mama Grisanti's in Bloomington, IN.

NRA publishes report on employee incentive programs

The National Restaurant Association has published a new report designed to help restaurateurs put together employee incentive campaigns.

Designing an Employee Incentive Program provides a step-by-step approach to creating and implementing an effective incentive program for a restaurant, gives examples of campaigns best suited for specific problems and provides worksheets.

The report is now available at a cost of $10 (plus $2 shipping and handling) for NRA members and $20 (plus $2 shipping and handling) for non-members. DC and Illinois residents add 6 percent sales tax. Chicago residents add 1 percent sales tax to the Illinois sales tax. To order, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call 800-424-5156. Payment *must* accompany all orders. Credit card telephone orders are accepted. Please specify number CS981 when placing your order.

NRA director of technical services dies suddenly

Andy Poledor, NRA director of technical services, died suddenly of a heart attack on Wednesday evening, July 18th, in St. Joseph, MI. He was at his new vacation home located in the same neighborhood where he had spent boyhood summers. He was planning to leave on a trip to China the following Saturday, had just been swimming and was taking a nap before dinner. Andy, who was 59, had a heart attack in the early 70s and another about four years ago; but unless you were aware of his daily regimen of walking and medication, you'd never know from his appearance or attitude he'd ever had a bad day.

Andy was one of those wonderful few whose accomplishments and talents were obscured by his genuine humility and gentle personality. He received his undergraduate degree in engineering from the University of Michigan and his MBA from the University of Chicago. He spent the next 23 years running "The Philadelphia," the family restaurant in South Bend, IN, which featured homemade hand-dipped chocolates and ice cream. After "The Phil" was taken from the family in an urban renewal project, Andy went back to school and earned his Ph.D. from Purdue University.

Andy's work at NRA reflected his personality—working quietly and effectively behind the scenes. He joined the staff in 1974, and he conceived, wrote, designed and produced NRA's *Sanitation Operations Manual, e.g., Safety Operations Manual*. When he died, he was half-way through the final volume, the *Facilities Operations Manual*. Andy also worked with almost 20 code and specification-writing groups making a quiet but effective contribution in heading off needless restrictions, procedures and requirements before they were written into a code, adapted by a regulatory agency and became a cost burden to the restaurant operator.

The longer one knew Andy the more fascinated one became with this complex man. He loved music and art, played the banjo—because, he said, it was the only instrument you couldn't play a sad song on. He was bi-lingual (Greek), and traveled around the world more than once. He missed by three weeks seeing the completion of a chapel at his church in South Bend, which he commissioned in honor of his mother.

Andy was the son of one of three brothers who emigrated from Greece around the turn of the century. The oldest brother changed the family name from Andrews to Poledor, which means many gifts, no doubt in recognition of the many blessings bestowed on the family. Andy's father named his oldest son Andrew, the original family name.

Andy was truly a remarkable man but, more important, one who gave of his many gifts—his counsel, his means, his friendship, his warmth, his humor.

It was a joy to have known him. The industry will miss him.

WASHINGTON REPORT

Congressional committees debate youth wage

The Reagan administration's proposal to allow employers to hire teens at $2.50 an hour during the summer was the subject of recent debates before two congressional committees.

Senate Labor and Human Resources Committee . . .

Labor Secretary Raymond Donovan appeared before the Senate Labor and Human Resources Committee to defend the plan, which he says will create some 400,000 temporary jobs.

The National Conference of Black Mayors also supported the proposal in a limited, experimental form, as a means of alleviating high unemployment among black teenagers.

Democrats on the panel, especially Sen. Edward Kennedy (D-MA), attacked the measure. The House Black Caucus is also very much opposed to the idea of a youth differential.

Backers of the proposal, which is favored by NRA, are not optimistic about its chances this year. It may be taken up in the Senate, but it is doubtful it will be considered in the House.

Joint Economic Committee . . .

The youth opportunity wage was also the focus of a debate before the Joint Economic Committee. Two economists, Dr. Walter Williams of George Mason University and Dr. Paul Osterman of Boston University, took opposing sides on the issue of whether a youth differential would reduce unemployment among teens.

Osterman spoke against a youth wage, recommending job training programs instead, which targets groups of disadvantaged youths.

Labor Secretary Raymond Donovan

Williams favored a youth wage. He argued that few employers are able to incur the costs of training unskilled youths while paying them the full minimum wage.

A youth opportunity wage would give employers an incentive to hire low-skilled youths, and it would provide these youths with a better career future, Williams said.

Mixed bag for restaurateurs

Congress has given final approval to a $50 billion tax package—part of a federal deficit "down payment," which is to include reductions in domestic and defense spending as well.

The tax package is a mixed bag for restaurateurs. Among the hundreds of changes to the U.S. Tax Code are some that would mean higher costs for employers. Others supported by NRA would benefit the restaurant industry.

The Targeted Jobs Tax Credit (TJTC), for example, was extended for one year. Used extensively by foodservice operators to hire the handicapped and economically disadvantaged, the credit would have expired at the end of this year. The new expiration date: Dec. 31, 1985.

There was also good news concerning the **tip reporting law.** As a result of NRA efforts, Congress eased some of the requirements. Changes will include

- allowing an operator to apply for a reduction in the eight percent tip reporting threshold to as low as two percent
- allowing employees as a group to petition IRS for a reduction in the threshold
- allowing an owner, with at least a 50 percent share of an incorporated restaurant, to avoid being counted as an employee for purposes of the 10-employee coverage rule and
- instructing IRS to prescribe by regulation the applicable recordkeeping requirements for tipped employees.

Congress chose the lesser of two evils when it came to **raising the federal excise tax (FET)** on distilled spirits. It accepted a Senate-passed provision, which amounts to a $2-a-gallon increase. (The House version would have raised the FET by $3.75 a gallon.)

The current tax of $10.50 on one gallon of 100 proof liquor would jump to $12.50 a gallon starting Oct. 1, 1985.

There would be a one-time tax on liquor inventory. Stock on hand as of Oct. 1, 1985, would be subject to the FET increase of $2 a gallon if there were more than 400 proof gallons of distilled spirits on the premises.

A House-passed provision to count all reported tip income as taxable wages for **unemployment tax (FUTA)** was also approved. Effective date: Jan. 1, 1986, unless a state legislature had not met for 25 consecutive days. Then the effective date would be Jan. 1, 1987.

In other matters, a Senate-approved enterprise zone proposal was dropped; tax deductions for the business use of luxury cars were stretched out; a limit of $150 per capita was placed on the total amount of industrial bonds development (IDBs) that can be issued by a state; and the depreciation period for real estate was extended from 15 to 18 years.

Immigration bill pending

A controversial immigration bill is now pending before a House-Senate conference, awaiting final consideration by Congress. The bill contains sanctions against firms that "knowingly" hire illegal aliens, and it has new employer recordkeeping requirements.

There is a small chance the final bill will be rejected by the House, since the vote to report the bill was a close 216 to 211.

Hispanic groups and a majority of Democrats are opposed to the legislation.

They contend employer sanctions will result in job discrimination. NRA also opposes the bill as do most business groups.

One of the most controversial provisions would grant amnesty to those illegally in the country prior to Jan. 1, 1982. (The Senate bill would grant amnesty to those who had entered before 1980). Neither of the bills alters the requirement in current law that permanent residents wait five years before applying for U.S. citizenship.

Both House and Senate bills would set up a system of fines for employers who "knowingly" hire, recruit or refer for employment any illegal aliens.

U.S. Rep. Romano Mazzoli (D-KY)

Following enactment, there would be a grace period during which notice would be served to violators, but there would be no fines.

After the grace period ended, violators would be fined $1,000 per alien for the first violation and $2,000 per alien for the second violation. A "pattern or practice" of hiring illegal aliens could result in six months in jail under the Senate version. The House bill has no criminal penalties.

For all new employees, employers would be required to check two identification cards and sign a form stating the IDs appear to be valid. Employees would sign a form saying they are legally employable. A telephone verification system for Social Security card numbers would be established under the House bill. The Senate bill does not have the telephone verification provision.

House okays NRA-backed central kitchens exemption

In a victory for NRA, the House on July 24 approved a bill exempting restaurant central kitchens from federal inspection.

The bill exempts restaurant central kitchens preparing ready-to-eat food for company-owned outlets from federal meat and poultry inspection. Under existing law, such kitchens must meet requirements designed originally for larger meat processing plants.

USDA's Food Safety and Inspection Service administrator Dr. Donald Houston testified in favor of the bill in June.

Houston predicted an increase in central kitchens if the bill passed, but he noted that use of the facilities would not get out of hand because of the logistics of moving ready-to-eat foods long distances.

National drinking age of 21 approved

Earlier this summer, both the House and Senate approved a bill that has the effect of arbitrarily establishing a national drinking age of 21.

Congress virtually ignored statistics which show that raising the drinking age has no clear-cut effect on drunk driving fatalities.

As NRA pointed out during hearings and in countless visits to congressional offices, studies show that the worst drunk driving offenders are between the ages of 21 and 44 and that raising the drinking age has not resulted in a decrease in the consumption of alcohol.

NRA advocated better enforcement of DWI laws, stricter penalties and increased consumer education as a workable alternative to raising the drinking age.

Know Your Limit
Help prevent drunk driving

NRA has begun an alcohol awareness program to encourage practices in restaurants and taverns that will reduce the likelihood of overconsumption and drunk driving.

NRA also said the legislation could result in the loss of thousands of foodservice jobs for 18, 19 and 20-year-olds and could close down restaurants and drinking places that cater to young adults.

But the bill was passed with little debate, first by a voice vote in the House and then three weeks later by a recorded vote in the Senate.

The bill gives the states two years after enactment to raise their minimum purchasing age to 21. Those that fail to comply would lose five percent of their federal highway-construction funding in the third year and 10 percent in the fourth year.

The measure also would provide grants to those states that adopt mandatory sentencing for drunk driving convictions. States would receive an increase in their highway-safety funding of up to five percent if they establish tougher penalties against offenders, including two days in jail for a first conviction.

The Senate rejected a proposal supported by NRA that would have allowed the states to act on their own to reduce drunk driving fatalities. It would have provided additional grant money to states that required mandatory sentencing, raised their drinking age or reduced alcohol-related traffic fatalities by other means.

Sens. Gordon Humphrey (R-NH), Alan Simpson (R-WY) and Steve Symms (R-ID) offered this NRA-backed substitute.

—Jay Morris

THE BOARD ROOM

NRA board eyes disabled as answer to employment needs

Between 1980 and 1990, the number of employment positions in the foodservice industry will increase by more than 30 percent. Where will operators find the right people to fill these vacancies?

The NRA Board of Directors is addressing this problem. At a series of meetings held at key locations across the country, directors are sitting down with restaurateurs, educators, vocational counselors and trade press editors to discuss actions that will increase the number of job applicants.

Following a July 12 meeting in Washington, DC, NRA held a press conference promoting the employment of the physically and mentally disabled in foodservice at the Hyatt Regency Capitol Hill. The press conference released new survey results showing that many foodservice operators are already employing the physically handicapped, mentally retarded and mentally restored.

The survey, "Employment in Foodservice: Mentally Restored, Mentally Retarded and Physically Handicapped," was designed by NRA in cooperation with the National Institute of Mental Health (NIHM) and mailed to 7,000 NRA members last spring.

Responses from 1,172 completed surveys show

- Employment of the physically and mentally disabled in foodservice is widespread.
- The most important reasons for employing the handicapped were meeting community needs and concern for the less fortunate.
- Employers with no previous experience employing the mentally and physically disabled expressed interest in doing so.

The survey also revealed the following facts about employment of the mentally restored.

- Most respondents place mentally restored workers in sanitation and food preparation jobs.
- Respondents described mentally restored workers as better than their co-workers in terms of attendance and at least equal to their co-workers in terms of motivation to work, quality of work, punctuality and job tenure.

"Just Like You and Me," a new audiovisual training tool previewed during the conference, will be made available to foodservice operators across the country. Using the experiences of the Foundation House in New York City and the Menninger Foundation in Topeka, KS, "Just Like You and Me" shows how industries like foodservice are successfully employing the mentally restored in supervised entry-level jobs.

Copies of "Just Like You and Me" can be obtained free of charge by sending a blank videotape (¾ inch or ½ inch VHS or Beta) to Videotapes, Office of Special Projects, Room 14C05, National Institute of Mental Health, 5600 Fishers Lane, Rockville, MD 20857.

NJRA honors Director Knowles

NRA Director Harry Knowles, owner of the Manor in West Orange, NJ, has been named 1984 Restaurateur of the Year by the New Jersey Restaurant Association (NJRA). Knowles will be honored at NJRA's Restaurateur of the Year Fall Dinner Dance and Banquet at the Bethwood Restaurant in Totowa, NJ, on October 29.

In addition to the Manor, Knowles owns the Ramshead Inn, a continental restaurant outside of Atlantic City, NJ.

Balestreri awarded IFMA gold plate

NRA Vice President Ted J. Balestreri, co-owner of the Sardine Factory in Monterey, CA, was awarded the 1984 Gold Plate Award by the International Food Service Manufacturers Association (IFMA).

Balestreri, representing the full service restaurant category, was selected to receive the prestigious "Foodservice Operator of the Year" award from among eight Silver Plate recipients from eight different segments of the industry.

Balestreri's recognition is the latest of numerous industry awards, including the Ivy Award, *Travel/Holiday Magazine* Award and the International Wine and Food Society's Award for Excellence.

NRA President Machus calls for industry support of U.S. Culinary Team

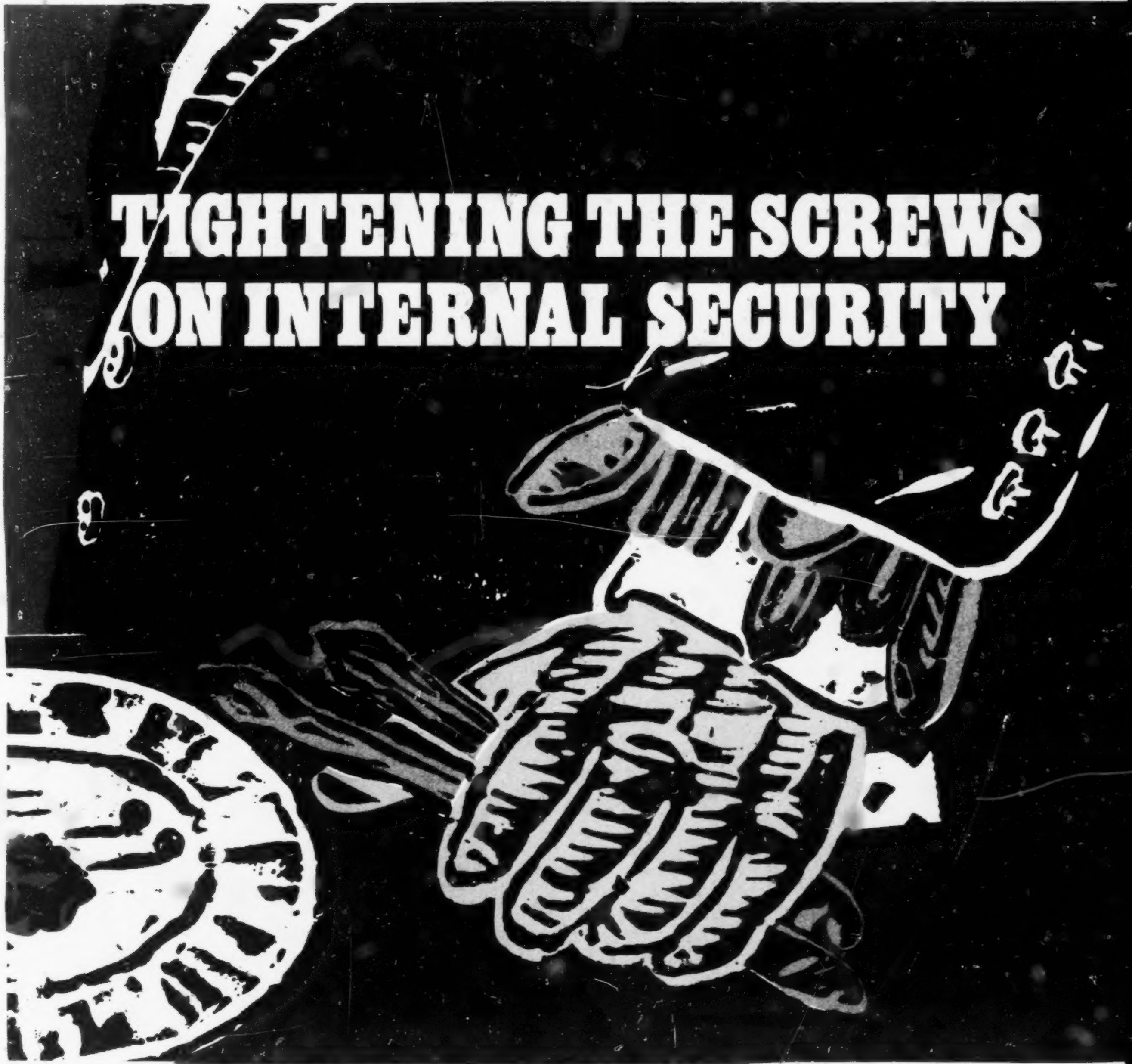
At a recent $100-a-plate dinner to benefit the 1984 U.S. Culinary Team, NRA President Harris O. Machus urged restaurateurs and industry suppliers to contribute to the U.S. Culinary Team effort.

During the course of the evening, Machus, president of Machus Restaurants and Pastry Shops in Birmingham, MI, presented a check for $5,000 to U.S. Culinary Team Member Dan Hugelier. Hugelier is executive chef of Schuler's Inc., in Marshall, MI.

"We are proud to recognize the accomplishments of our 1984 U.S. Culinary Team," Machus told guests on hand for the occasion at the Machus Red Fox in Bloomfield, MI. "The knowledge and teamwork that our U.S. Culinary Team brings back from these competitions benefits the industry and the public in many ways.

"NRA is committed to the U.S. Team, and we hope that other people will also get involved, from restaurateurs to suppliers. We need to show our team that we are behind them through their many hours of training and competition, especially with the "culinary olympics" coming up in Frankfurt, Germany, this October."

—Dorothy Dee



TIGHTENING THE SCREWS ON INTERNAL SECURITY

by Kathy Boyle

Restaurants are easy marks for employee theft, and employees know it. Five cents of every dollar a restaurant rings up in sales is lost to theft. Out of that nickel, four cents are pocketed by the restaurant's employees. And it is probably no exaggeration that most, if not all, of that four-cent loss could be prevented. Crime prevention boils down to a good system of controls that "proact rather than react," says crime prevention expert Larry Schwartz of the Fraud and Theft Information Bureau in Boynton Beach, FL. Controls should "focus on halting and preventing crime before it occurs," says Schwartz, "because there are no longer enough police, and crimes involving under $5,000 rarely get investigated."

Get off to a good start . . .

Tightening the employee selection process is a good first step toward greater security. This means doing thorough reference checks for every employee hired. Chuck Muer, owner of C.A. Muer Corporation in Detroit, MI, who operates the Charlie's Crab seafood chain along with 32 other restaurants, suggests three steps for internal control. "First, select good people. This means do your reference checks. Second, set good controls and communicate your standards thoroughly and clearly. Third, enforce your rules, including termination for non-compliance."

Chuck Muer finds that his three-pronged approach toward selection and control has had good results. "Out of the 3,000 people I employ,

illustration by Bob Soulé

each year, I maybe have to terminate one employee for theft."

John Curtis, owner of the Trellis Restaurant in Williamsburg, VA, couldn't agree more. "As far as employee theft is concerned," Curtis maintains, "make it very clear to people during the selection interview and in your employee manual that you won't tolerate theft. Then, don't make exceptions. Everyone should be subject to the rules. Even if a person is sorry, you must dismiss him because perceived controls underline the good job everyone else is doing. Once you compromise, you send a different signal; and the standards get slack."

Robert Cannon, general manager of Sweetwaters Restaurant in Clearwater, FL, attributes "90 percent of internal security to overall managerial control. You must know your employees, their background and where they previously worked." After doing the background checks on employees, "from there on out, it's a matter of keeping the employees happy," says Cannon. "You have to make sure you schedule employees properly so they get enough pay and tips. Then they'll do a good job for you."

Not everyone can be as lucky as Kay Wende of the Huddle Restaurant in Lima, OH. "In 39 years the restaurant has had only one incident of theft. We count on our people's honesty," says Wende. "We have a good staff. They have been here many years." Wende adds that keeping an eye on the operation is a must for any operator. "Either my husband or myself is on the premises all day. No one looks over an operation like an owner," she claims.

Reduce temptation . . .

A casual attitude about product security is nothing less than an invitation to trouble. "The whole secret to security control is to reduce temptation by reducing access to high cost items," says NRA Instructor Aaron Donatello. This means keeping high cost items secure as well as holding someone accountable for the inventory of those items.

Strict controls for receiving, storage and issuing of expensive items will help. Donatello suggests developing a forecast of needs for each shift and then issuing a specific number of products at the beginning of the shift and securing the area.

For high-ticket items, such as lobster, steak and liquor, a daily inventory may be necessary. At the Trellis Restaurant, the inventory is simple verification of what was used, versus what was sold. "For example, if our tally shows we used 15 bottles of wine, but sold only 12, simple deduction shows that three are missing," says John Curtis. "Then it becomes the manager's job to find out what happened to the three items. Did a bottle break or was something taken?"

Check the garbage . . .

Keeping an eye on what goes in and out of your operation can mean checking the garbage. For example, lobster tails and steak as well as silverware and linens may be going out with the garbage to be picked up later. One restaurant manager explains how he was repeatedly off on the steak count at the end of the dinner shift. One night he was so angry he got a flashlight and hid by the back door to catch the thief. But while waiting, he discovered the missing steaks in the garbage.

According to Roy L. Moorman, one of the owners of the Witmor

Farms Restaurant in Waynesville, MO, a down-home style roadside restaurant and coffee shop, regular kitchen and garbage checks just weren't enough. So for the past year, Moorman has been using electronic surveillance equipment in addition to his regular searches. "I feel I've been forced into it," says Moorman. Now he has a camera on the back door with a monitor at home in his living room. Moorman says the camera cost about $500, and it's been worth the investment.

Preventing credit card fraud

Restaurants need to be more cautious, argues Schwartz, by screening out fraudulent credit card purchases before they occur.

Many merchants think they are protected when they call for an approval number for a charge of over $50. But, according to Schwartz, "What merchants consider an authorization is really not an authorization at all. It is simply verification that the given credit card number does exist, that it has a credit limit balance sufficient to cover the purchase and that it has not been reported lost or stolen." A sure method for avoiding problems is to identify the card holder and verify the signature. This means asking for more identification.

Most restaurants don't like to bother customers for a second ID, so Schwartz recommends they follow a "failsafe" method that is a variation of the security measures hotels use. "When you check into a hotel, the clerk asks, 'What card are you going to use at checkout?' You assume this is to speed up the checkout procedure. Not so," says Schwartz. "The hotel is checking the identity of cardholders while they sleep." If the restaurateur follows the same procedure and asks for the card when the customer sits down to eat, he is protecting himself."

John Curtis of the Trellis Restaurants in Williamsburg, VA, feels he has very little problem with credit card fraud. "Credit cards are checked out pretty carefully," he says. "Most credit card problems are from carelessness, such as not noting the expiration date on a card to forgetting to call in for a code clearance."

Other operators make even greater use of surveillance equipment than Moorman—at the cashier's station, the bar and even in the kitchen. In fact, one operator says the employees don't know about all the cameras he has. "They are hidden and they are so inconspicuous—being the size of a pinhead—so no one knows where they are but me."

Another technique used to good advantage is not to permit employees to bring large bags or other personal affects that could conceal inventory items in the back of the house. In addition, it is a good idea to require all employees to use only one exit.

Use a good system of cash control . . .

In a fast-paced restaurant operation there is a great deal of opportunity to pocket cash. When a customer puts the correct change for his bill on the bar or counter, the money can go straight to the employee's pocket. Other methods to get at the cash include conveniently forgetting to ring up sales, short-changing customers, or claiming the customer walked out on his bill. It is not easy to be everywhere in an operation, but as John Curtis of the Trellis Restaurant notes, "You can create various levels of eyes other than your own."

One important step often overlooked is adequate separation of duties. No matter what the size of the business, there must be a separation of financial duties in order to maintain any type of internal control. Responsibilities must be divided for accounting, inventory and storage so that no one person can conceal thefts by altering records. For example, the bookkeeper should never handle cash. The person who makes purchases should not be the person who pays the bills, and the person who writes the computer programs should not be the computer operator. Other helpful techniques include

1. bonding all employees who deal with financial transactions
2. sequentially pre-numbering order books and charge tickets, and making sure the numbers are accounted for on a daily basis
3. making all cash drops "blind." Waiters, waitresses and bartenders should not be able to read the cash register at any time. What this means, for example, is when a bartender counts out his "bank" at the end of each shift, he deposits the remaining cash in a vault without knowing what the actual deposit should be. Reconciliation of the register reading and cash drop is then done by another individual
4. shifting responsibility from time to time, especially in the bookkeeping department
5. paying attention to voids. If there are too many voids on one shift, or by a certain employee, there very likely could be a problem
6. checking liquor and food costs against revenue received daily or weekly and
7. policing the bar. Some operators use a spot check service to watch bar operations. This avoids cash mismanagement and provides valuable feedback on every part of the bar operation—good or bad. "If we get a good report, I tell everyone about it," says one operator. "If we have a problem, I review it privately with the employee—but I wait two or three weeks after the problem is identified. This way the employee can't catch on to who the spotter is."

Prevent credit card fraud . . .

Restaurants should have the same controls for credit card slips as they do for cash. According to Larry Schwartz of the Fraud and Theft Information Bureau, problems with credit cards are often the fault of restaurants. "They handle credit card slips like they are scraps of paper instead of what they are—cash," he exclaims.

One restaurant chain had a problem with a ring of employees misusing customer credit cards. When those employees had a customer's credit card in their possession, they would run off several extra vouchers. Then, the next time a customer paid in cash, they filled in one of the extra credit card vouchers and pocketed the cash. In fact, the scheme became so complex that employees actually mailed vouchers between different locations at the chain to make it more difficult to be tracked down. By the time the crime was detected, many employees were long gone. Spot checks of employee use of credit cards might have meant earlier detection of the scam.

According to Larry Schwartz, "Today it is easier, safer and more profitable to steal with a credit card than with a gun. Shortages of police budgets and manpower, along with glutting of the courts with violent crimes, means large crimes get the most attention."

Audit your system . . .

Finally, no restaurant should ignore a financial audit. Auditors regularly spot discrepancies others can overlook. An independent audit of all records should occur at least once a year.

Of course, all of these systems can not guarantee that an operation will be theft-free, but each layer of added control makes the possibility of crime more difficult to carry out. ❑

Prudent cash register policies

by Jeffrey Davidson, C.M.E.

Your store's cash register policies can make or break you, for it is here that you get paid for all the inventory and expenses you have incurred to provide your products to the public. Fortunately, there are some simple and effective ways to ensure that cash transactions are undertaken in an effective and reliable manner.

Listed below are policies that have been implemented successfully by major fast-food franchisers.

1. Always make sure that sales are rung up at the time they are made. Instruct employees that under no circumstances, even if 10 people are in line, should cumulative cash register ring-ups be made. This is a sure route to error and a potential route to your getting ripped-off.

2. Insist that you be called for any under-rings or over-rings. By correcting errors as they occur, you'll facilitate more rapid consolidation of totals at the end of the day. Remind employees that the cash register drawer is to remain closed at all times except when ringing up a sale or making change. Once this policy is established, it will be difficult for an employee to maintain an open cash register drawer on any occasion.

3. If you have more than one checkout counter or more than one cash register, establish a rule that no money exchange between cash registers is allowed. This invites errors as well as other problems.

4. Ask all cashiers to always state the amount of sale in a loud, clear voice as the cash transaction is being handled. In this way, cashiers as well as customers will automatically produce a check or verification of the transaction. Also, the amount of currency from which the change is made should be stated. For example, if a customer pays for a small item with a 10-dollar bill, the cashier should say "A dollar and 25 cents out of 10 dollars."

5. Make sure that cashiers place the customer's money on the cash register ledge until change is made. After change is made, the customer's money should be put in the drawer. In this way, a customer cannot claim that he/she gave the cashier a larger bill than the one tendered.

6. Ask that the manager be summoned whenever a customer leaves money behind or if there is some reason to refund money to a customer. This eliminates a potentially troublesome responsibility for the employee and keeps the manager on top of abnormal cash transactions.

7. Train and remind employees about store credit policy, including use of personal checks, credit cards and store accounts. Provide specific instructions regarding third-party checks, check cashing and credit vouchers.

8. Assign each employee a unique code letter or number and periodically check to ensure that the number is being used solely by that employee. Also, carefully "walk" the employee through the checkout procedure, particularly when another employee is to take over that register.

9. Instruct cashiers that they are not to leave the immediate work area unless the store is empty or they have been given prior instructions to perform other tasks. While all cash and cash register transactions involve some degree of risk and the potential for loss, implementing policies, such as those above, will minimize the potential for problems. You may find it convenient to publish a list of policies and procedures relating to cash register operations and post the list where it can be easily read by employees but is out of view of customers.

COMPUTER FRAUD

PRACTICAL STEPS TO PROTECT YOUR COMPUTER

by Bob Hill
NRA manager of data processing

Computer fraud—crime committed with the aid of a computer or related to the use of a computer—can lead to massive losses. But the opportunity for misuse of a computer can be virtually eliminated if management faces up to the risks and dedicates itself to instituting and monitoring the necessary controls.

The purpose of controls is to protect against the unauthorized use of all computer resources, unauthorized access to and modification of data files and software, and the misuse of authorized activities. Controls are needed in three primary areas: the physical security of the computer; the security of the data files, programs, and computer software; and the human interaction with the data files, programs and software.

I. Physical access security . . .

Although businesses protect their grounds, buildings and offices, they frequently neglect to secure the resources of the computer department. Controls here should include

1) eliminating non-essential doors to the department. This should deter unauthorized removal of documentation, program listings, output or other information and records

2) escorting visitors at all times. Visitors include business employees who are not members of the department and computer customer engineers providing necessary maintenance

3) involving all department personnel in access control. Effective security procedures require continuous observation and the cooperation of all employees and

4) making spot inspections to discourage removal of resources without written authorization to do so. Briefcases and other bags and packages have little reason to be near operations.

II. Segregation and rotation of duties . . .

The computer department must be an independent organizational entity. It must be completely independent of all departments or units for which it processes information. Department personnel should be prohibited from having authority, responsibilities and duties in any other department.

Within the computer department, functions that should be performed by different individuals are

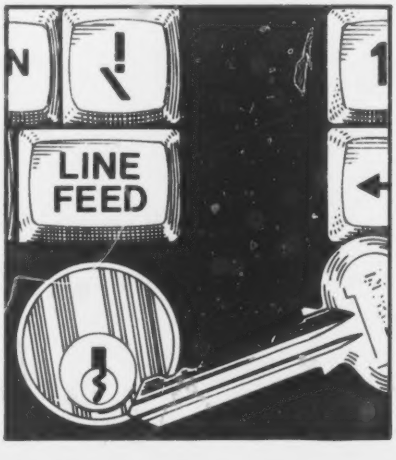
- data conversion/entry
- job scheduling
- job setup
- applications design
- applications programming
- maintenance programming
- systems programming and
- program testing.

As with the separation of duties and responsibilities for administrative and internal control, the segregation of duties in the computer department must be designed to ensure that no one person can commit fraud alone. Also, it is recommended that duties be rotated on a random basis so that programmers do not always work on the same programs, operators do not always run the same jobs, and data conversion/entry personnel do not always work on the same transactions.

III. Library security . . .

The computer department is the repository for tapes and disks, the source and object code program files, master copies of all software, all software documentation, and the operating instructions and manuals. In order to be secure the library must be physically separated from the other functions performed by the computer department.

Physical access controls, discussed earlier, should be employed to prevent unauthorized access. The list of people or organizations who would be interested in the information stored in the data files is limitless. Data files, including files containing sensitive and confidential information, can be



copied or printed and then be sold to your competitors, to companies contemplating entering your line of business, to investors, to credit bureaus, to direct mail outfits, or to people interested in defrauding you.

Library security and controls should

1) require all tapes, disks and documentation to be stored in the library when not in use

2) maintain a library log of all tapes, disks and documentation removed from and returned to the library

3) review the library log on a regular basis

4) maintain an up-to-date inventory list of all data, program and system files

5) conduct regular and surprise inspections of the libraries

6) store critical data and program files and their documentation in locked vaults or safes

7) erase confidential information on tapes and disks before they are sent out for recertification and for cleaning and

8) document library procedures.

IV. Operations controls . . .

The main console logs should provide a printed record of all jobs processed, all operator activities and anything done to the system. Because the logs provide a tremendous amount of information, they should be protected against alteration or manipulation. Preprinted sequential page numbers should be used for console logs. Each entry on the log should be sequentially numbered. Every program run—scheduled or unscheduled—and the actual run time for each program should be recorded. Every file processed—authorized or unauthorized, proper or improper—should be identified. Every operator intervention, including overrides and halts, should be logged.

The console logs should be reviewed by appropriate and responsible supervisory or managerial personnel at the end of each shift or once a day. The review is to make sure that no pages are missing, that no entries are missing and that there are no unexplained time gaps. Also, improper operating procedures, suspicious reruns and unusually long run times should be explained.

Other operations controls should

- prohibit anyone other than the operators from operating the computer equipment
- prohibit anyone other than the operators and operations personnel from having access to the computer room
- account for all computer time
- prohibit program modifications
- destroy carbon paper from output containing sensitive or confidential information and
- make use of system performance measurement aids.

V. Supplies controls . . .

Because the blank and preprinted output forms and input media are resources of the computer department, they require protection. Someone should account for the use of floppy disks, punched cards, paper tape, blank output forms, preprinted forms, multipart output forms, console paper and all other input and output media. The actual use of input and output media should be reconciled with the planned use. Significant variances should be investigated. Checks and other official or important forms should be stored in vaults or safes.

VI. Password security . . .

In an on-line computer system the need for security procedures has been well recognized. The most common procedure is typically the use of an identification code, combined with a pre-set authorization code, that enables legitimate access to protected resources. The simple password scheme is very easy to use; the user just types the password. It is also inexpensive to implement. The user can himself or herself choose the password, but care must be taken not to choose a password that is too obvious.

If the legitimate user chooses a less obvious password, it will be easier to forget, and he or she may find it necessary to write the password down. This procedure must be discouraged. Management should supply the password in the event of a memory lapse.

The greater the length of the password, the more secure the system will be, since more effort will be required to break the password. The "expected safe time" is half the product of the number of passwords and the time required to try each password in a sequence of guesses. For example, a six-letter password transmitting at 600 characters per minute can take 30,891,578 seconds to break. That is just less than one year. If an automatic 10-second delay is introduced after unsuccessful attempts, the break time increases by a factor of six to approximately six years. Also, the longer the same password is used, the more likely it is to be broken. So passwords should be changed fairly often in order to be most effective.

The two words to remember here are log and delay. All access attempts that are denied should always log the pertinent information. In addition, a delay must be introduced. During this delay, new attempts to access system resources from the same source are ignored. Without these safeguards another computer system could generate more than 1,000 passwords per second and could break a four-letter password in less than eight minutes.

VII. Backup and recovery . . .

This topic deserves a full-length discussion all its own. Businesses that are computerized, a little or a lot, cannot afford to lose their sales figures, asset schedules, accounts receivable, accounts payable, expense amounts and other accounting data and still operate efficiently. Backup is critical to protect your data files, programs and documentation should there be malicious or accidental destruction. Even if backup media (usually tape) is one-day or one-week old and stored off-site, this is a starting point for reconstruction.

Regardless of the circumstances involved, this central operating procedure should be done within a pre-set schedule.

VIII. Peace of mind . . .

There are numerous other controls and procedures that can be implemented that will provide businesses with peace-of-mind assurance that fraud will not occur. Although the federal government is developing laws that would make it a federal crime to access records without authorization, businesses should take the time to protect their resources. According to a recent study, most computer fraud is not a result of sophisticated techniques. Rather it occurs because there are weaknesses in the system of internal controls. ❑

Practical Suggestions For Tighter Security

Employee Data Form
Employee Data
EMPLOYEES
Guest Check
Sherbo

Illustration by Dan Sherbo

Consider this fairly common scenario. One of your waiters places an order for one entree on a tab but gets two dinners from the cook. He charges the customer for two, pays the cashier for the one listed and splits the profits of the other dinner with the pick-up window employee.

Or perhaps your best bartender starts bringing his own bottle to work. He pours the standard number of drinks from it and pockets the payments from customers. Your inventory checks out, so how can you tell?

If you have problems such as these going on right under your nose, you've got a control problem, and you aren't alone! Many foodservice employees collude to defraud customers and management and then split the stolen profits. Many of these collaborators believe theft from their employers is a legitimate battle of wits—the winner is entitled to take whatever he/she can get. Some employees are not so generous; they want everything for themselves.

Richard P. Fisher
IntelliSearch Corporation
Middlebury, Vt.

Several other factors peculiar to the industry contribute to security vulnerabilities in the restaurant business.

(1) Management often doesn't have adequate time to thoroughly screen its new job applicants. If they look clean, their application is filled out properly, and they can start immediately, they get the job.

(2) Restaurant employees, on the whole, tend to be transient, a condition that brings little or no loyalty toward the establishment or its management. This is particularly true in resort or large metropolitan areas. They come and go—oftentimes well before they are ever suspected or discovered.

(3) Customers who suspect in-house rip-offs generally walk away in silence, taking their future patronage and a lost chance to alert management. They just don't want to get involved, yet respect the restaurant less when they leave. A bad reputation can ruin months (and even years) of effective advertising and public relations.

(4) Absentee owners, by necessity, place greater responsibility in the hands of hired managers. Unfortunately, managers are not always screened. After all, who should question someone who worked five years for a well-known national operation? Yet, the real reasons for a person's termination may very well be something totally different than what was indicated on the application.

Thorough screening . . .

Even though it takes more time, it really does pay to carefully scrutinize the backgrounds and attitudes of prospective employees. A hired manager, for example, often has virtual carte blanche with the combined assets of a corporation. If his integrity is not beyond reproach, the owner is purchasing trouble.

A thorough background check requires contacting previous employers to determine why an applicant left an earlier job. It requires shrewdness and tenacity because often a business that terminates a suspect employee declines to express suspicions without actual proof. Always speak with the immediate supervisor when possible. Listen to what they *won't* tell you! Ask if they'd hire him back. That alone should tell you a lot.

It is also prudent to check character references, either in person or on the phone, and also educational and/or military records if they exist. Look for jumps in reported employment. Beware of the tremendous proliferation of application fraud today at all levels.

Your application form should be a weighted one. This is a systematic method for determining which personal history traits and variables on the application have an apparent correlation to such factors as the applicant's tenure, discipline and job performance. Beware of the applicant who repeatedly quits for "personal reasons."

An application blank need not be custom designed for a particular job within your facility. Specific variables do need to be identified which might have predictive value in your particular situation. These might include educational level, history of being fired, reasons for being fired, duration of unemployment and admissions about alcohol and drug use.

Remember the law protects the applicant so you can only ask for convictions, not arrests. Why not phrase your question another way: "Tell me about the most serious trouble you've had with the law." You'd be truly amazed at the responses you'll get.

Polygraph and/or Stanton Survey . . .

As part of your pre-employment screening process, it is another good idea to use a polygraph test, where admissible, or a basic paper and pencil honesty test, such as The Stanton Survey. If resources are limited, tests for critical positions such as bartenders, cashiers and managers, are a must. Whereas a polygraph exam verifies a person's truthfulness and past employment history, the Stanton measures attitudes toward honesty and a person's potential to steal in the future. This is particularly important when the majority of your work force is very young. Both tests set the stage for strong psychological deterrence

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What Patrons Pick to Pocket

by Carole Sugarman

In 1976, Clyde's restaurant in Washington, DC, had to replace 17,000 ashtrays. At $1.06 an ashtray, that's more than $18,000 worth of glass. By and large they didn't break, figured Clyde's. When the restaurant switched to cheaper ashtrays, the disappearances were cut in half.

They'd been stolen.

Most restaurant thieves are not slithery burglars in black leather gloves nor are they kleptomaniacs driven to taking unwatched creamers. They are souvenir hunters, young people, grown people and often well-to-do people. Whatever their profiles, though, they have one common trait: They usually get away with it—and sometimes with a lot of it. "People will steal anything and everything they can get out the door," said a manager from Alexandria's Fish Market in Alexandria, VA.

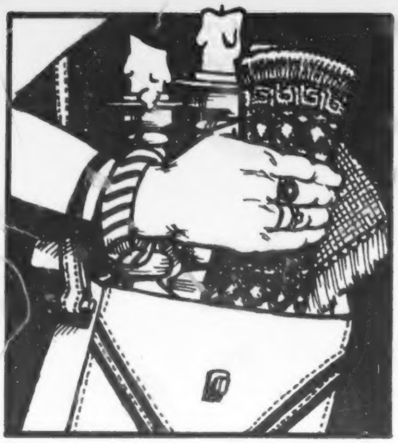
The restaurateur often does not notice the theft until after the patron leaves; or if a patron pays for a $100 dinner with an American Express Gold Card and then sneaks off with a salt shaker, the manager usually decides it's not worth the hassle or confrontation. In other cases, the restaurateur will let a thief slide because the ashtray that lands on a coffee table in Cleveland may be good advertising for him.

While all restaurants are potential targets, some are more obvious than others, depending on the renown of the table accessories (32-ounce beer schooners), the ease in stealing them (silver demitasse spoons) or the need (condiments and salt and pepper shakers).

Size does not deter the restaurant thief, either. A 3-by-5 foot Oriental rug was rolled out of one restaurant a few years ago. Every summer, another restaurant loses about a half dozen chairs from its outdoor patio. And at a third restaurant, an 8-foot rubber plant disappeared shortly after the restaurant opened.

Mug shots of spoon stealers do not hang in restaurant vestibules, but according to William Jepsen, assistant general counsel of the DC police department, an individual caught stealing from a restaurant could be charged with "theft in the second degree" and, if convicted, could land in jail for a maximum of one year or made to pay a maximum fine of $1,000—or both. That's if the goods lifted are worth less than $250. If the heist is hefty (for example, a table setting of Lenox china—worth more than $250) the penalty is a maximum fine of $5,000 or 10 years maximum imprisonment or both.

Landing behind bars for pocketing



and are the best and cheapest insurance policy you can buy.

Because many states prohibit by law the use of lie detector equipment as a condition of employment or continued employment, check on local legal restrictions before considering use of such an examination within your company.

The reliability of the polygraph rests almost entirely upon the qualifications, training and experience of the operator or the examiner. Check references of your proposed contract agency or examiner before proceeding. The PSE (Psychological Stress Evaluator) is another device which is considerably less reliable and one I do not recommend.

The Stanton Survey, a written test, has the advantages of low cost and ease of administration. Unlike other traditional methods of screening, it measures attitudes toward honesty and also deals with the applicant's attitudes regarding dishonesty. This is extremely important because it is not unusual to find an applicant who has never engaged in a major dishonest act solely because the opportunity has never arisen.

When used in conjunction with the structured security interview, paper and pencil testing like the Stanton is extremely effective. It is also valuable in eliminating the vast majority of applicants who could be screened out prior to polygraph testing. You save the higher fee for an unfavorable polygraph examination and subject the person to less stress.

Programs such as these send an unmistakable message to your employees that dishonesty will not be tolerated. A company's degree of security is measured by the degree of respect its employees hold for the company, its products and its property. The degree of employee honesty that you want determines the amount of security you will need. When there are no

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a sugar bowl is unlikely, however. Dimitri Mallios, a Washington attorney whose clients are primarily restaurateurs, said he doesn't know of any restaurants that have prosecuted patrons for stealing. "Most restaurants don't even prosecute people who run out on a check," said Mallios.

A restaurateur who catches a thief with more than a sugar bowl may feel differently, though. Pat Haley, co-owner of Gary's restaurant in Washington, DC, said that if he had spotted the person who stole an Oriental rug from the restaurant's ladies' room, "I would prosecute her. When they're taking something of real value, then we have to do it.

"In rare cases, restaurateurs will call the police," said Lt. Steven Mairoca of the Second District, a 20-year veteran of the DC police department. But by the time the police show up, the patrons will have "discarded the property they were accused of taking," he said. Usually, said Mairoca, restaurateurs would rather handle the issue themselves. They "don't want the publicity," he explained.

Confronting a suspect may not be an easy task for a restaurateur. Some break the news to thieves with "something peaceful," like "You're welcome to buy the penguin vase, but you can't take it with you." Other restaurateurs get right to the point because they don't believe they have to be diplomatic.

Getting caught in the act can elicit either of two reactions from a restaurant thief: embarrassment or offense. At Clyde's in Tyson's Corner, VA, a group of 10 people decided "they were going to take half their table with them," about $200 worth of goods, said Robert Daniels, former manager.

One man who had a tablecloth hanging out of his coat became very irate, said Daniels, when he confronted him. His party had spent $400 there on food, retorted the diner.

Restaurateurs can retaliate against patrons in more subtle ways. At Chez Froggy in Arlington, VA., owner Pierre Desplechin once added $5 onto a woman's credit card bill. "What's the extra charge?" she called and asked him when she received her monthly statement. "For the place mats and flowerpots you stole," he answered.

The most common carrier of stolen goods, agreed restaurateurs interviewed, is the pocketbook. But there are other modus operandi. As a woman was walking toward the ladies' room in the former Rive Gauche in Washington, DC, a silver ramasse-miettes (the scraper used to remove crumbs from the table) fell out of her blouse—right in front of the maitre d', reported Chef Michel Laudier. A Washingtonian dining in New York noticed his host strapping a pepper mill in an umbrella. Even though it was raining outside, "the umbrella was kept closed for about two blocks," he said.

For some restaurateurs, it can turn into a battle of wits. The operator thinks of deterrents, and the thief tries to outdo him. at Tiberio in Washington, DC, for example, the Chanel No. 5 in the ladies' room sits on the counter without its top, making it difficult to pocket. Even so, women have crumpled paper towels, stopped it up and taken the bottle away.

Why, then, do people who would never think of stealing from a store suddenly become restaurant Robin Hoods? Some restaurateurs concluded that patrons think there's nothing wrong with it; diners see the restaurant as a rich enterprise that won't miss the ashtrays, or they feel that since they paid a lot of money for dinner, they're somehow entitled to the coffee cup.

According to speculation by Dr. Ralph Wittenberg, a psychiatrist who heads the public information committee of the Washington Psychiatric Society, the restaurant thief derives "very intense unconscious gratification" from the act. "It represents something special, like you've had a piece of the rock," said Wittenberg.

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deterrents or systems to prevent dishonesty, the employees invariably will get a message that it's O.K. to steal. It's almost human nature to try to get away with something.

Strong management with positive controls and safeguards must constantly exert pressures in order to induce the desired degree of employee honesty by presenting active deterrents to theft. By convincing your employees from the start (in the initial interview process) that they can't steal without getting caught, you are ensuring they don't even try.

Periodic use of polygraph testing . . .

Just because an employee has worked for you for a long time doesn't mean you can necessarily trust him or her. Our years of investigative experience tell us that the long-term employee knows your operation better than most others, and he knows your weak spots as well. Often, he feels he is justified in stealing from you. He may believe that your company has not paid him what he is worth, has not given him enough promotions or has overlooked him in various other ways. He also might feel that business is good enough to withstand his "insignificant" stealing. He really doesn't believe he is hurting you by taking a "few pieces of worthless food scraps" or a drink or two at the end of his shift.

Undercover investigations . . .

While somewhat controversial in many professional circles, undercover programs can prove extremely beneficial and vital to the intelligence function of your business if they are conducted carefully and professionally. The real value and contribution that they make to your company lies in the losses they have prevented or reduced. If you use undercover investigations to gain the knowledge you need to reduce and prevent these losses, the expenses you incur will always be well worth it.

If you decide to employ an outside contract agency for undercover investigations, make sure your expectations for that company and for the job their agents will perform are realistic. Don't look at an undercover operation as a witch hunt to single out a few dishonest employees. Expand the scope of your investigations until you get a clear overview of your whole operation and look at how interrelationships affect the shrinkage or loss of your company's property and goods.

You can place professional undercover investigators on staff for any period ranging from weeks to months. These outside people will perform a normal function, such as cooking, tending bar or waiting tables, but will also serve as confidential eyes and ears for management. By tapping underground currents of gossip, an agent can inform management who is coming to work drunk, who is punching false hours on a colleague's time card, who is trying to peddle drugs to customers and more.

Typically, an operation of 20 or more employees is vulnerable to both real and potential losses and is, therefore, a good candidate for undercover operations. A capable, realistic manager must realize that theft is pervasive and take rational steps to create a climate that doesn't encourage it.

Before you select the undercover agency, interview the agent who will be working on your behalf. Also request that he or she be polygraphed if it is legal in your state. You and only you should make the ultimate decision about the agent's suitability for your facility. Don't deal in blind faith.

Put into writing such things as rates, salary and other expenses relevant to the case. Allow the agency you're dealing with some flexibility to increase living expenses and to pay special incentives. Do not sign a contract or agreement for any specific length of time. You can be assured that reputable agencies do not extend beyond the necessary time to crack a case.

Ask for a complete detailed summary when the case is finished. And never reveal your agent's identity unless absolutely necessary and with complete agency concurrence.

Fidelity bonds . . .

One other prudent idea to consider is a fidelity bond on your employees. The psychological deterrent is tremendous. There are many types of bonds; review them periodically with your insurance agent. With the proper type of bond and adequate evidence, you stand a good chance of making your company whole again from any documented losses. Without a bond, complete or substantial financial recovery is generally out of the question. Remember, restitution just isn't always enough.

When an employee leaves . . .

The exit interview is an excellent source of information about your entire operation. Employees on their way out are much more likely to talk about things they saw that bothered or puzzled them than when they were still on the job. It is best not to let an immediate supervisor do the interviewing. The important thing is to make exit interviews a routine procedure within your operation. They cost nothing except time and, as with almost all situations, disgruntled or angry employees can be very outspoken at the last minute.

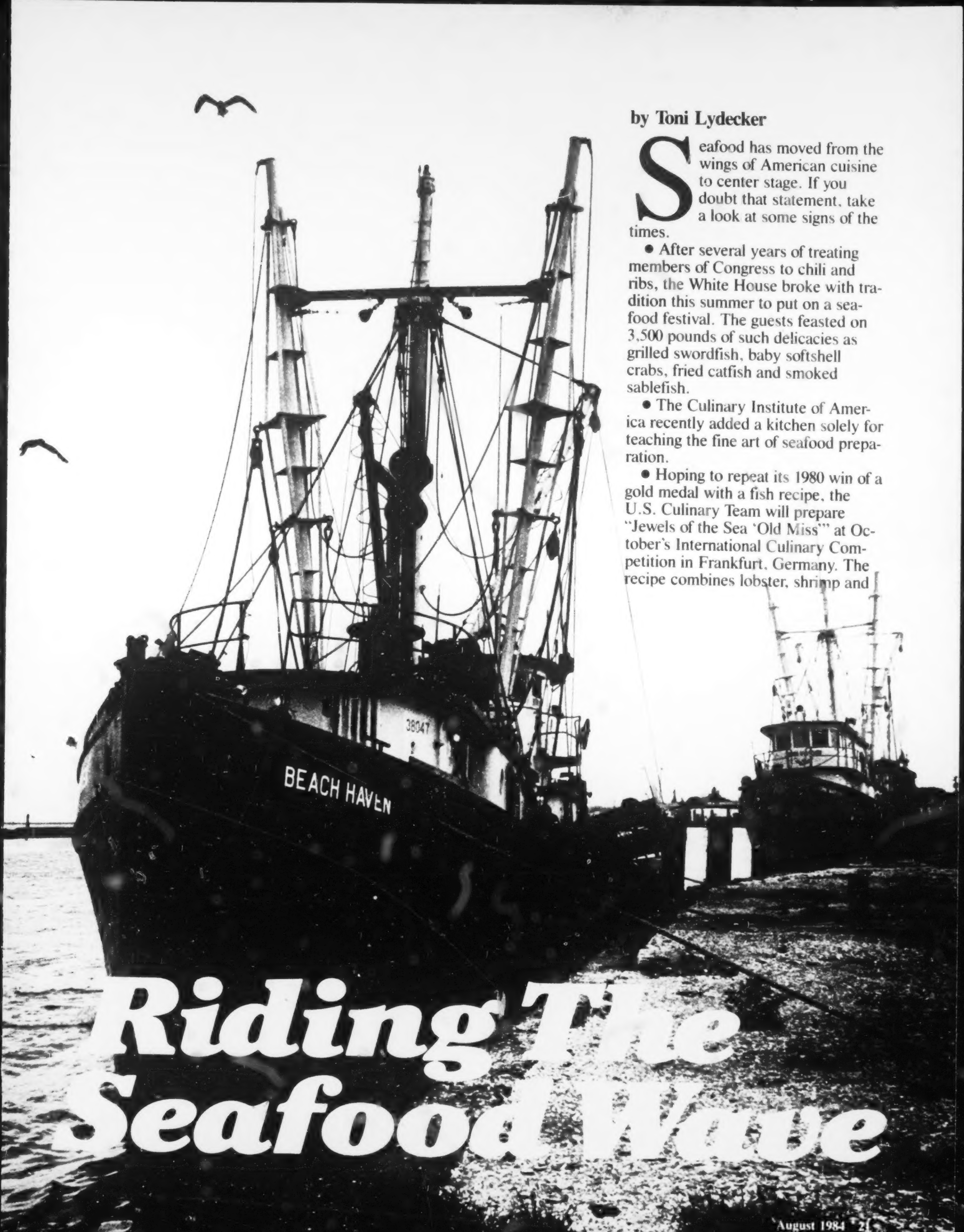
The exit interview or interrogation is also a necessary part to the successful conclusion of an undercover case. If you are not experienced at this, hire a skilled interrogator. The interrogator may even recover some losses.

Prevention: the key to reducing or eliminating loss . . .

Prevention is always the prime key to controlling losses and thefts in your operations. Effective loss prevention requires a serious commitment from your top management down to your supervisors.

If you suspect that your employees are stealing from you, be sure to check your accounting methods and internal control procedures before you accuse anyone. A large inventory shrinkage does not necessarily mean a theft has occurred. But if you discover that there are thieves employed by your company, remember that adequate security or effective loss prevention means using psychology, instituting deterrents and controls, educating employees and implementing applicable components into a fully integrated loss prevention environment. Above all, it means having qualified and timely information about your employees and their activities at all times.

You are never going to completely stop people from stealing on your premises. But if you can stop the day-to-day, systematic theft which already exists, you have accomplished a great deal and have given your food operation a better chance to survive and progress profitably. ☐



Riding The Seafood Wave

by Toni Lydecker

Seafood has moved from the wings of American cuisine to center stage. If you doubt that statement, take a look at some signs of the times.

- After several years of treating members of Congress to chili and ribs, the White House broke with tradition this summer to put on a seafood festival. The guests feasted on 3,500 pounds of such delicacies as grilled swordfish, baby softshell crabs, fried catfish and smoked sablefish.
- The Culinary Institute of America recently added a kitchen solely for teaching the fine art of seafood preparation.
- Hoping to repeat its 1980 win of a gold medal with a fish recipe, the U.S. Culinary Team will prepare "Jewels of the Sea 'Old Miss'" at October's International Culinary Competition in Frankfurt, Germany. The recipe combines lobster, shrimp and

Fresh seafood: move it or lose it

Demand for fresh seafood has risen steadily over the past five or six years throughout the country, according to Lee Weddig of the National Fisheries Institute. He gives much of the credit for the correspondingly greater supply to the wide-bodied jets that carry domestic catches all over the country and bring in seafood quickly from such remote fish-producing areas as Norway, New Zealand and the Bering Sea.

Although most people prefer the taste and texture of fresh seafood, a traditional argument for freezing it has been to "even out" the life cycle of species that are more abundant some times of the year than others. But now modern technology is beginning to eliminate that argument, as fishing becomes an industry based as much on farming as on hunting—from catfish to crayfish, seafood is being raised under controlled conditions for a national market. The Norwegians have even found a way to raise salmon from egg to table size, making that most seasonal of fish a year-round commodity.

Buying really fresh seafood is not as easy as it sounds, however. Despite the shelf life of 14 days cited by the National Fisheries Institute for most fish and shellfish, many restaurateurs place their own limit at seven days or less. Seasoned buyers caution that even locally caught seafood may be several days old by the time it reaches the restaurant, if the boat of origin was one that goes out for week-long stints. They advise seeking a reliable purveyor, inspecting the seafood critically and trying to buy some fish whole (both for the greater ease of checking for freshness and because the skin of the fish provides an extra barrier against bacteria). And whenever possible, it is best to buy for freshness and quality rather than for the menu. At Chez Panisse in Berkeley, CA, the kitchen staff often doesn't know what seafood will be served that day until it arrives; the menu mentions only "shellfish of the day" or "fish of the day" rather than specific items.

Once in the restaurant, seafood should be prepared and served promptly, but what if it turns out to be a slow day? One solution to the problem of ordering enough but not too much is the restaurant/fish market duo. Often found on the coasts, this combination is beginning to catch on in other parts of the country, too.

When Harry Whelden opened the Maine Lobster in Sioux Falls, SD, it was tough going at first. "We were trying to sell wine and fish in a beer and beef town," he remembers. Pairing a fish market and restaurant helped—people discovered the restaurant when they came in to buy fish, while the restaurant customers were reassured by the quality of the seafood on display in the market. The combination is important economically as well. To enable his operation to live up to its name, Whelden air freights live lobsters from Maine, an expensive proposition that he makes worth his while by buying both for the market and the restaurant. He boosts the volume still more by wholesaling lobsters to grocery chains and other restaurants.

Because Washington, DC, is close to the coast, buying in volume is not so important for The Fishery, another fish market/restaurant combo. Still the fish market and restaurant managers do coordinate their buying of fish to some extent; when one winds up with too much of an item, it can be passed on to the other while still fresh rather than being discarded. Many restaurant customers like to drop in at the market after eating to pick up seafood for the following day. As a service, the restaurant will sell them fresh seafood to take home after the market closes for the day.

crabmeat with a seafood "sausage" or quenelle and a mustard/butter sauce.

- The idea of redfish blackened in a white-hot iron skillet has helped bring fame to Paul Prudhomme, the New Orleans, LA, chef and restaurateur. Now the appearance in gourmet and kitchenware shops of a packaged spice mix for the dish—containing Prudhomme's characteristic blend of red, black and white peppers—unveils the fascinating spectacle of a small industry growing up around a single recipe.

They tried it, they like it . . .

Seafood's well-established popularity means that restaurants no longer need to wheedle customers into ordering it. Instead, they can focus on creative ideas for the selection, preparation and presentation of fish and shellfish. "We have moved past the era where people were acquiring a taste for fish. It's obvious that they like it, and it's up to chefs to keep them interested. We now have the opportunity to develop sauces that enhance the flavor of seafood rather than masking it," says Anthony Seta, director of foods, Mother's Restaurants Limited in Burlington, Ontario, and one of 15 American Certified Master Chefs.

"Customers are discovering that fish can be cooked in interesting ways, not just broiled or fried," adds Eugene Fracchia, owner of Pesca, a seafood restaurant in New York City. "It's no longer something you hold your nose and eat just because it's good for you."

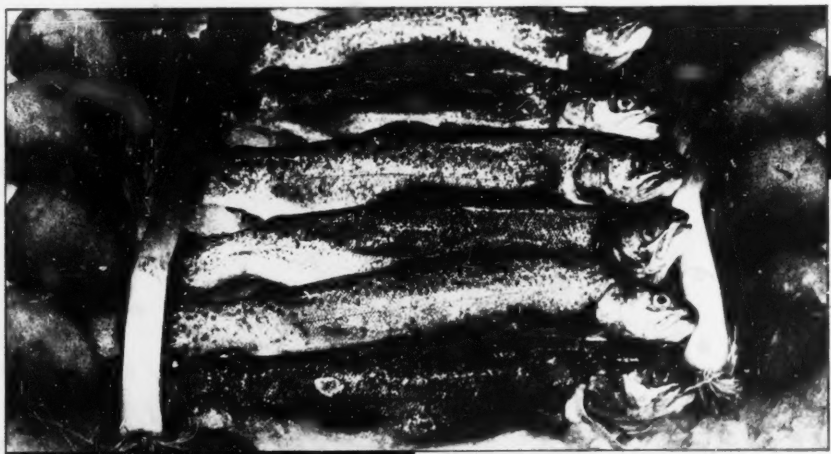
This more adventurous spirit has led to a broadened spectrum of seafood from which chefs can select. Customers are willing to try odd-sounding species, such as sand dab or Hawaiian fish with melodious names like opaka opaka and mahi mahi. White, bland-tasting fish are no longer the automatic favorites, as fish with a more assertive flavor or darker color come into their own; examples are shark, tuna, swordfish and bluefish.

More restaurants are buying exotic European seafood, according to Peter Redmayne, editor of the industry magazine *Seafood Leader*, published in Seattle, WA. Their choices might include tiger shrimp from Italy or rouget, a European red mullet. As Redmayne points out, "European fish are relatively expensive—filleted, they might cost $10 a pound. But the quality is excellent, and with the dollar so strong, restaurants are finding it makes sense to include them on the menu."

A more open-minded attitude toward varieties of seafood can result in interesting menu items at lower cost. The price of king crab has shot sky high as its availability has dwindled, and many restaurant customers are, instead, dining happily on snow crab and softshells. Less expensive than the better-known red snapper, tilefish and grouper are part of the same family and offer just as much versatility in preparation. Also picking up in popularity are mussels and squid, which adapt well to many different preparations. "They're cheaper than the rolls and butter—even when you charge less, there's a hell of a profit margin," comments one restaurant manager.

Grilled, smoked or raw? . . .

Grilled-seafood restaurants seem to be nearly as common as pizza parlors on the West Coast, and they're starting to proliferate in the rest of the country as well. Not all are the same, however. Although mesquite continues to win devotees, some critics say the searingly hot, pungent smoke it generates can overwhelm the delicate flavor of seafood. A few restaurants are turning instead to kaiwe, an exotic Hawaiian wood, reports Editor Peter Redmayne. San Francisco's Santa Fe Bar and Grill sticks to mes-



Seafood buckwheat blinis with poached salmon and sea scallops

For the blini batter

1 cake fresh yeast (2 oz.) or 2 pkgs. dried yeast (¼ oz.)
2 cups scalded milk, cooled to body temperature
1 T. sugar
1½ cup sifted, all-purpose flour
½ cup buckwheat flour
3 eggs, separated
1 T. melted butter
1 t. salt

Dissolve yeast in scalded milk. Stir in sugar, 1 cup all-purpose flour and the buckwheat flour. Cover and set in a warm, draft-free place until light and spongy (1 to 1½ hours).

Beat the egg yolks lightly. Add melted butter, the rest of the flour and salt. Beat until smooth. Cover again and let rise until doubled in bulk.

Whip the egg whites until stiff. Fold into the batter and keep warm.

For the salmon, sea scallop sauce

12 oz. to 1 lb. salmon fillet, cut into small pieces
½ lb. fresh sea scallops
¼ cup minced shallots
1 cup sliced shitake mushrooms
2 cups heavy cream or creme fraiche
½ cup butter

Melt the butter over medium high heat, and sweat the shallots. Raise the heat slightly and add the mushrooms, extruding as much liquid as possible. Reduce the heat and add the cream or creme fraiche. Reduce slightly by one-fourth. Add the salmon and sea scallops; poach gently. Taste for seasoning. Add salt and white pepper.

Grease a skillet or griddle. Heat on medium-high flame and cook the blinis in small batches, keeping them warm as they are cooked. Arrange on individual platters and ladle the salmon and scallop sauce over each portion. Garnish with salmon roe, if desired.

—Compliments of Pesca, New York, NY

Rainbow trout stuffed with pears, leeks and scallops

(yield: 6 servings)

For the stuffed trout

3 pears (Anjou are nice)
1 leek (white part only)
Clarified butter
3 T. dry vermouth
6 boned rainbow or brook trout (12 oz. each)
Flour
6 oz. bay scallops
Fish stock

For the lemon/chive beurre blanc

8 lemons, juiced
½ T. shallots, chopped
2 T. dry vermouth
8 oz. unsalted, cold butter
1 bunch chives, chopped

Cut pears and leek in medium dice, and saute in clarified butter until soft and opaque. Add vermouth, simmer briefly and remove the mixture to another dish to cool.

Dredge trout in flour. Stuff each one with pear/leek mixture and 1 oz. of scallops. Heat clarified butter in saute pan or sizzler, and cook trout until lightly browned on each side. Add fish stock, and bake in a 400° oven until done (about 10-12 minutes).

While the fish is cooking, reduce lemon juice, shallots and vermouth on high heat until almost dry. Add butter a nugget at a time, whisking constantly until the sauce reaches an emulsified state. Spoon sauce to the side of the fish, and sprinkle chives over it just before serving.

—Compliments of The Fishery, Washington, DC.

quite, but adds a new element by mixing in cabernet grapevine cuttings. Often the marinade used before grilling seafood or the sauce served alongside can set a restaurant apart from the crowd; it might become known for the beurre rouge, made with a certain red wine or for butters or homemade mayonnaises made with fresh herbs.

Served as an appetizer or part of a buffet, smoked seafood is going over in a big way. The standard repertory is expanding to include smoked versions of shrimp and scallops in addition to the more common mackerel, trout and sturgeon. Chefs can create subtle variations in flavor through the choice of wood (such as cherry and apple) and the method of smoking (hot or cold). Robert Kincaid of the Harvest Restaurant in Cambridge, MA, describes one new American technique—the seafood is brined, then hot-smoked briefly in a wok over smoldering wood chips, pine needles, orange peel, bark or tea leaves.

photography by Karen Ruckman

The "ceviche of tiny sea scallops with blueberries" on a recent menu of the Inn at Little Washington in Washington, VA, illustrates two growing trends: pairing seafood with fruit and serving it raw or "cooked" in an acid, such as lime juice.

Nouvelle seafood . . .

Many of the new seafood preparations fall into the category of what writer Craig Claiborne has dubbed "American nouvelle cuisine."

Indeed, the combination of American ingredients with one or more nouvelle cuisine techniques is admirably suited to fish cookery. Sauces that rely less for their thickening properties on butter, cream and flour, and more on vegetable purees and stock reductions, seem more in harmony with the delicacy of seafood. A sauce served under or to the side of a fish fillet, instead of on top, displays its pale, closely textured flesh to full advantage. Nouvelle cuisine's preoccupation with the visual appeal of the plate is also evident in current seafood preparation, although in the American idiom it usually takes the form of a concern for balancing colors and textures to achieve an attractive but casual effect, rather than for creating rigidly geometrical arrangements of food.

A brilliant example of American nouvelle is Anthony Seta's preparation of mako shark, his entry for the master chef competition. He quickly sautes slices and scallops of the fish, then wraps them in poached Boston lettuce leaves. The pale green envelopes rest on a golden fish veloute sauce, lightened with creme fraiche and tinted with saffron. Seta scatters a julienne of lightly cooked leeks, celery and carrots over the fish and garnishes it with poached shrimp and mussels.

Classic technique with an original twist also characterizes the seafood and sauces prepared by Odette Bery, founder of a cooking school and owner of Another Season Restaurant in Boston, MA. With West Coast salmon comes a fish fumet sauce flavored with orange and Madeira and enriched with creme fraiche; a tomato/tarragon beurre blanc accompanies the sauteed softshell crabs; customers dip their poached shrimp in pesto and their mussels in a saffron/garlic mayonnaise.

Fishery
d Market
Fishery
fresh fish

Fishing for offbeat recipes . . .

Some restaurants that offer exciting seafood dishes have little in common but their spirit of adventure in seeking new techniques and ingredient combinations. One of these is New York City's Pesca, whose menu is as eclectic as the city itself. "An Italian would faint if he saw our carpaccio," says owner Eugene Fracchia. For the classic Italian appetizer made with thin slices of uncooked beef fillet, the Pesca version substitutes raw tuna—something customers might more reasonably expect to encounter in a sushi bar.

Catering to its customers' craze for softshell crabs, the restaurant recently ran a festival three nights a week. Deep-fried softshell crabs may seem like old hat, but not when the batter contains sesame seeds, cilantro and cayenne pepper. A softshell fancier also could order a sauteed crab on a buttermilk/tarragon biscuit, served with a Creole-style mayonnaise made of red and yellow bell peppers, or a softshell crab pizza.

Another offbeat menu item is buckwheat blini with salmon, scallops and shitake mushrooms (see recipe). Particularly pretty are the seafood lasagne, in which alternating layers of spinach and tomato noodles are interspersed with sole fillets, shrimp, scallops, garlic and rosemary, all of it bound with a bechamel sauce.

Starting out as a traditional Eastern Shore-style restaurant, The Fishery in Washington, DC, soon found that customers were not breaking down its doors for the crab imperial, fried scallops and crabcakes. Business picked up only after "new American-style recipes were added to the menu," according to Chef/General Manager Dewey Dematatis. One such appetizer is Oysters Alec, named after Sous-Chef Alec Abt. The oysters are flamed in cognac, then covered with a heavy cream reduction sauce that includes shallots and garlic, and finally topped with red lumpfish caviar.

The restaurant's signature dish is rainbow trout boned and stuffed with sauteed pears, leeks and sea scallops, and sauced with a lemon and chive beurre blanc (see recipe). "We like the way the sweetness of the fruit and leeks contrasts with the tartness of the sauce," says Dematatis.

Because the Yellow Brick Bank in Shepherdstown, WV, has a reputation for serving good seafood, customers are not afraid to try dishes they've never heard of, according to Assistant Chef Rick Bishop. Rather than offering the Chesapeake Bay oysters native to the area, for example, the restaurant brings in Belon oysters from Maine. They have such a full, briny flavor that, as owner Kevin Connell puts it, "drinking the juice is like going for a swim in the ocean."

Another interesting appetizer is scallops served on the half shell; often the reddish roe are included, a practice common in Europe but rare in this country until recently.

Most people have never encountered skatewing, either, until they arrive at the Yellow Brick Bank. A delicate fish similar to stingray, it is sauteed with slices of underripe avocado and red bell peppers, then simmered in white wine. Another menu item, sauteed cod cheeks with monkfish tail, sounds like the trimmings from someone else's dinner, until Connell explains that the cheeks are the choicest part of the cod and the monkfish's tail is its only edible portion.

Serve it simply . . .

Many restaurants are beginning to turn thumbs down on fussy garnishes and intricate arrangements of seafood, often for practical as well as aesthetic reasons. "By the time a plate is arranged in some elaborate way, the food is usually lukewarm. The less manipulated the food is, the better off the customer," says Pesca's Eugene Fracchia. At the Yellow Brick Bank, every fish plate is finished with a half lemon wrapped in yellow gauze. But Kevin Connell emphasizes that it is intended as a flavoring agent, not a garnish; he believes that the paper-thin slice of lemon should be banished from the seafood plate.

Ideally, the seafood itself is the chief decorative element—a fish properly marked by the grill, for example, is not only beautiful but gives mute evidence that it was cooked skillfully. "I'm not heavily into garnishes. The important thing is that the fish be perfectly cooked and arranged well on the plate," says Odette Bery of Another Season. Another restaurateur points out that two or three fillets cut at an angle look better than one big slab when displayed on a plate.

In assembling seafood, sauce, vegetables and garnishes, American chefs frequently use color composition as a basic organizing principle. In the shark recipe described earlier, Anthony Seta created subtle variations of pastel tones. Equally striking is the Yellow Brick Bank's presentation of a sole dish: The white fillet is seen against a backdrop of black bean sauce, while whole scallions and red pepper slices provide vivid accents. ❑

The National Restaurant Association's on-going consumer research activities reveal . . .

- As income increases, consumers eat away from home more frequently and spend a greater proportion of their food dollar on meals away from home.
- Restaurant promotions involving price reductions are the most popular.
- The majority of people make the decision to eat out while at home.
- Quality food and friendly service are the two most important attributes considered when choosing a restaurant.
- Restaurant patrons have high expectations concerning the cleanliness of the restaurant.
- Patrons also have very high expectations concerning the tastiness of the food and food served at the appropriate temperature.
- Italian food is the best known, most tried, most frequently ordered and most likely to be ordered again ethnic food in restaurants.
- Chinese and Mexican foods rank 2 and 3 as popular ethnic foods in restaurants.

1984 Foodservice Industry Pocket Factbook

NRA

1984 Sales: **$162.8 billion**
Units: **558,000**
Employees: **8 million**
Foodservice share of
Food Dollar: **37.9%**

National Restaurant Association

CRITICAL LABOR-RELATED LEGAL ISSUES FACING FOODSERVICE EMPLOYERS

Prepared for the NRA Legal Department
by Robert W. Hartland, Esq.
Reed, Smith, Shaw & McLay;
Pittsburgh, PA

This article is intended to set forth, in summary fashion, a brief description of some of the more critical labor-related legal issues that are currently facing restaurant and other foodservice employers.

A. Employee uniforms, dress codes and claims of sex discrimination

For years, restaurant owners have faced problems with government claims that employer-imposed dress requirements may produce minimum wage violations of the federal wage and hour laws. Now restaurant employers face new challenges to dress codes or uniform requirements on the grounds that the dress requirements do not apply equally to both sexes—that they are sex discriminatory in violation of Title VII of the Civil Rights Act of 1964 (prohibiting, *inter alia*, sex discrimination in employment) or similar state or local laws. Such challenges can come from the federal Equal Employment Opportunity Commission (EEOC), state or local fair employment practice agencies or employees themselves.

In a restaurant setting, this issue can surface in a number of different contexts. Cocktail waitresses may complain that their required attire is too revealing and subjects them to verbal abuse, sexual harassment and so forth. Waitresses may complain that they are not permitted to wear slacks or pants, like male employees. Male employees may claim sex discrimination if they are required to wear neckties and their female coworkers are not so obligated.

Courts that have faced this issue have taken differing approaches. One line of cases views employer dress codes as not materially different from "grooming codes" (i.e., policies against "long hair"). These courts tend to grant employers considerable leeway in promulgating and enforcing dress codes. For such courts to find illegality, they require a showing that the challenged dress requirement affected the employees' employment opportunities or their ability to work. Examples of this approach are *Fountain v. Safeway Stores, Inc.*, 13 FEP 25 (N.D. Calif. 1975) *aff'd* 555 F.2d 753 (9th Cir. 1977) (Not sex discrimination to require store clerk to wear necktie); *Blowers v. Lawyers Coop. Pub. Co.*, 25 FEP 1425 (W.D. N.Y. 1981) (Not sex discrimination to require that females wearing slacks also wear coordinated tunic top or jacket, even though requirements admittedly more detailed and restrictive for females than males); *Lanigan v. Bartlett and Co. Grain*, 466 F.Supp. 1388 (W.D. Mo. 1979).

In another line of cases, the courts have applied a "reasonableness" standard to the particular dress requirement in question and have found the dress requirement to be illegal in situations where the dress was "extreme in nature" (i.e., too sexually revealing, *EEOC v. Sage Realty Corp.*, 507 F.Supp. 599 (S.D. N.Y. 1981); *Marentette v. Michigan Host, Inc.*, 506 F.Supp. 909 (E.D. Mich., 1980)).

In other cases the dress requirement was struck down simply because it did not seem to make any business sense and lacked rationale [e.g., *Carrol v. Talman Federal Savings and Loan Assoc. of Chicago*, 604 F.2d 1028 (7th Cir. 1979) [Prima facie Title VII sex discrimination to require female tellers and managerial employees to wear a uniform while similarly situated male employees were required merely to wear normal business attire; *accord*, *EEOC v. Clayton Federal S & L Assoc.*, 25 FEP 84d (E.D. Mo. 1981)].

Potentially troublesome cases on the horizon in this area may involve efforts to apply a "disparate impact" analysis. For example, employers with a virtually all-female server staff with uniform requirements and an essentially all-male kitchen staff with no uniform requirement may face attacks based upon those facts alone. Similarly, "theme" restaurants may face increasing challenges to dress requirements connected with the restaurant "theme," unless the courts are persuaded to accept the notion that restaurants are selling a product that is related to entertainment and which, in certain circumstances, is not asexual.

In the meantime, restaurant and other foodservice industry employers should receive guidance in this area and develop sensible dress codes. Examples of basic operative rules:

1. Apply dress requirements to *jobs* (i.e., waiters/waitresses), not to employees by sex.
2. Develop dress requirements for more than one job; have re-

quirements for employees throughout the house even if they differ.

3. Enforce no dress requirement more stringent than necessary to achieve the desired result.
4. Examine any dress requirement to determine whether it really makes sense from a business standpoint (i.e., will it achieve the intended result?).

■ B. Pregnancy

The issue of a woman's pregnancy and an employer's, or prospective employer's, obligations in dealing with that pregnant person continues to be a source of confusion for employers. The law is developing in this area.

In a restaurant context, the typical questions are:

- Do I violate the law if I refuse to hire an obviously pregnant female job applicant to work as my hostess or as a waitress?
- Do I have to grant a pregnant employee a leave of absence to have her baby or can I simply terminate her?
- Do I have to grant her such a leave even if I don't grant such leaves to anyone, male or female, for other instances of physical disability?
- Can I force her to take a leave?
- How long can she stay on leave after having her baby?
- Upon her reinstatement, do I have to provide her with her same job?
- When she returns, do I treat her as a new employee or does she accumulate seniority while on leave?
- Can pregnancy be treated differently than other temporary disabilities under my sick leave, health or temporary disability insurance plans?
- If I have a health insurance plan for my employees' spouses and dependents, what are my obligations regarding the pregnancies of the wives of male employees?

The law in this area has undergone significant reversals in recent years. In the early 1970s the EEOC and courts generally held that maternity must be equated with temporary disability for purposes of sick leave or temporary disability benefits. In 1976, however, the United States Supreme Court held in *General Electric Co. v. Gilbert*, 429 U.S. 125 (1976) that it was *not* illegal sex discrimination for an employer to have a non-occupational and sickness benefit plan that excluded pregnancy from coverage. In October of 1978, Congress enacted an amendment to Title VII, known as the Pregnancy Discrimination Act, to reverse the Supreme Court's decision in *Gilbert*. The EEOC subsequently issued formal guidelines entitled "Employment policies relating to pregnancy and childbirth" 29 C.F.R. S1604.10 with an appendix containing 37 questions and answers interpreting the 1978 Pregnancy Discrimination Act. Since then, the courts have generally enforced these EEOC guidelines and interpretations.

Generally, the courts have held that it is illegal to deny a job to a female because of pregnancy unless the employer can establish that the applicant, because of the pregnant condition, is physically unable to perform the job. Similarly, a pregnant employee must be granted a leave of absence on the same terms and conditions as would be afforded if she had any other temporary disability. Indeed, even if the employer did not have a leave policy, but, rather, terminated employees who became disabled for any reason, the courts have held that, nonetheless, it would be illegal sex discrimination to apply such a policy to a pregnant female employee. *Holthaus v. Compton & Sons, Inc.*, 514 F.2d 651 (8th Cir. 1975); 29 C.F.R. S1604(c). Beyond this, mandatory maternity leaves of arbitrary duration, unrelated to the individual's actual ability to work, are unlawful. *Burwell v. Eastern Airlines*, 633 F.2d 361 (4th Cir. 1980); *Vuyanich v. Republic Nat'l Bank*, 505 F.Supp 224 (N.D. Tex. 1980).

Assuming the pregnant employee on leave had a good work record and that there were no overall job cutbacks that would have affected her position, the pregnant employee is entitled to post-leave reinstatement, without break in seniority, *EEOC v. Western Elec. Co.*, 28 FEP 1122 (M.D. N.C. 1982). *Nashville Gas Co. v. Satty*, 434 U.S. 136 (1977). The EEOC recognizes, however, that job continuation rules cannot be inflexible. If a female employee cannot be reinstated immediately, she may be given preferential consideration for future openings. EEOC Doc. No. 71-2309 (May 28, 1971).

Most recent judicial pronouncements have been in the area of an employer's obligations regarding pregnancies in situations where the employer provides a health insurance program that extends to the spouses and dependents of employees. First, must such a program include coverage of pregnancy-related expenses incurred by employees' wives? The recent answer is yes. *Newport News Shipbuilding and Dry Dock Co. v. EEOC*, 103 S. Ct. 2622 (1983). Second, must the coverage for the wives of male employees, where provided, be equivalent to that for female employees? The answer is apparently no. *Newport News Shipbuilding and Dry Dock Co. v. EEOC*, 103 S. Ct. 2622, 2631, footnote 25 (1983).

■ C. Sexual harassment

The topic of sexual harassment in the work place exploded upon the scene in the late 1970s.

In the foodservice industry the issue is presented in much the same context as in all other industries. While there are many possible variations, the typical case involves employee claims of being subjected to the sexual advances of a supervisor, fellow employee or, most recently, of customers or other non-employees.

The precise legal questions that are being presented to the courts are: 1) are such advances signs of "employment discrimination?" 2) to hold an employer liable, how much *employer* involvement must there be in the sense of knowledge, acquiescence or approval? do the standards differ depending upon whether the alleged harasser is a supervisor, fellow worker or non-employee? 3) to be actionable, need the employee prove that the alleged rejected sexual advances resulted in a discharge, denial of promotion, denied wage increase or the like or is it sufficient that the employee charge "psychological harm" flowing from an atmosphere of sexual harassment?

The initial cases decided in this area in the mid-1970s generally held that "sexual advances," however distasteful, were not examples of sex discrimination. In recent years these early cases, by and large, have been reversed, and today the near universal rule is that sexual harassment on the job is employment discrimination within the meaning of Title VII. *Tomkins v. Public Service Elec. & Gas Co.*, 568 F.2d 1044 (3d Cir. 1977); *Barnes v. Costle*, 561 F.2d 983 (D.C. Cir. 1977); *Garber v. Saxon Business*

Products, Inc., 552 F. 2d 1032 (4th Cir. 1977); *Miller v. Bank of America*, 600 F.2d 211 (9th Cir. 1979).

Moreover, recent cases reflect, in certain circuit courts, a much broader view of sexual harassment. Under certain recent cases, a complaining party need not prove a discharge, denial of promotion, denial of raise or other similar tangible consequence from rejecting a sexual advance in order to state a claim of sex discrimination. A cause of action can be stated on the grounds that the sexual advances created a hostile, intimidating or offensive working environment. *Bundy v. Jackson*, 641 F.2d 934 (D.C. Cir. 1981); *Henson v. City of Dundee*, 682 F.2d 897 (11th Cir. 1982); *Katz v. Dole*, 709 F.2d 251 (4th Cir. 1983).

On the question of how much employer involvement there must be in the sexual harrassment through knowledge, acquiescence and so forth before an employer can be held liable for the conduct of an employee, there is a wide divergence of judicial opinions. The EEOC's regulations on sexual harassment impose strict liability upon the employer for such conduct of supervisors—even if the employer did not know of the conduct, had no reason to know of the conduct and had a policy against the conduct. 29 CFR. S1604.11(c). While some recent cases appear to go almost this far (*Miller v. Bank of America, supra*), most cases require at least "constructive knowlege" of the sexual harassment. (*Henson, supra; Bundy, supra; Barrett v. Omaha National Bank* No. 83-1990, slip opinion [8th Cir. Feb. 3, 1984]). Other courts seem to require more employer involvement before imposing liability upon an employer in "hostile work environment" cases than in "tangible consequence" cases, such as job dismissal. *Katz, supra*.

Even the EEOC agrees that if the sexual harassment comes from a fellow worker—rather than a supervisor—the employer will be held responsible only if the employer had actual knowledge or "should have known." The employer can escape liability if he or she can show that "immediate and appropriate corrective action" was taken. 29 CFR S1604.11(d). The EEOC applies this same standard to impose liability upon employers for the sexual advances of non-employees in the work place. It adds, however, that "In reviewing these cases the Commission will consider the extent of the employer's control and any other legal responsibility which the employer may have with respect to the conduct of such non-employees." 29 CFR S1604.11(e). In this connection, the EEOC recently entered a decision finding a restaurant owner responsible for the conduct of a customer in "touching and directing jokes and comments of a sexual nature to a waitress." EEOC Decision No. 84-3 P6841.

Operators should anticipate very significant case law development on all of these issues in the months and years ahead.

■ D. Meal credit under the Fair Labor Standards Act (FLSA)

It appears as if legal controversy will continue regarding the issue of a restaurant's entitlement to a credit against the minimum wage obligation for the "reasonable cost" of meals "customarily furnished" by the employer to employees as permitted by Section 3(m) of the FLSA.

The difficulty, of course, stems from the meal credit: the recent case trend reveals rejection of the Government's regulations (29 CFR S531.30) and *Field Operations Handbook* guidelines (FOH Chapter 30, Section 30c01 and 30c02) pertaining to the meal credit. Specifically, the historical controversy has centered around the government's positions that acceptance of the meal plan not be a condition of employment; that the employees be given an option to take cash in lieu of the meals (i.e., that the meals' acceptance be "voluntary and uncoerced"); that the employees actually *eat* the meals and that the employer maintain detailed records of meal consumption and costs.

While various courts have upheld the government's detailed requirements for an employer's receipt of the meal credit, the recent trends in the cases reveals rejection of the government's positions. Most notably in this regard are the decisions last year of the Eleventh Circuit Court of Appeals in *Davis Brothers, Inc. v. Donovan*, 96 L.C. P34, 346 (11th Cir. 1983) and *Morrison Inc. v. Donovan*, 96 L.C. P34, 347 (11th Cir. 1983) as well as the district court decision in *Donovan v. Miller Properties, Inc.*, 547 F.Supp. 785 (N.D. La. 1982).

■ E. The FLSA executive exemption

Another major FLSA issue of importance to the foodservice industry is FLSA's executive exemption to an employer's overtime pay obligation.

Within the restaurant context, this issue most frequently presents itself in connection with management positions and the chef position.

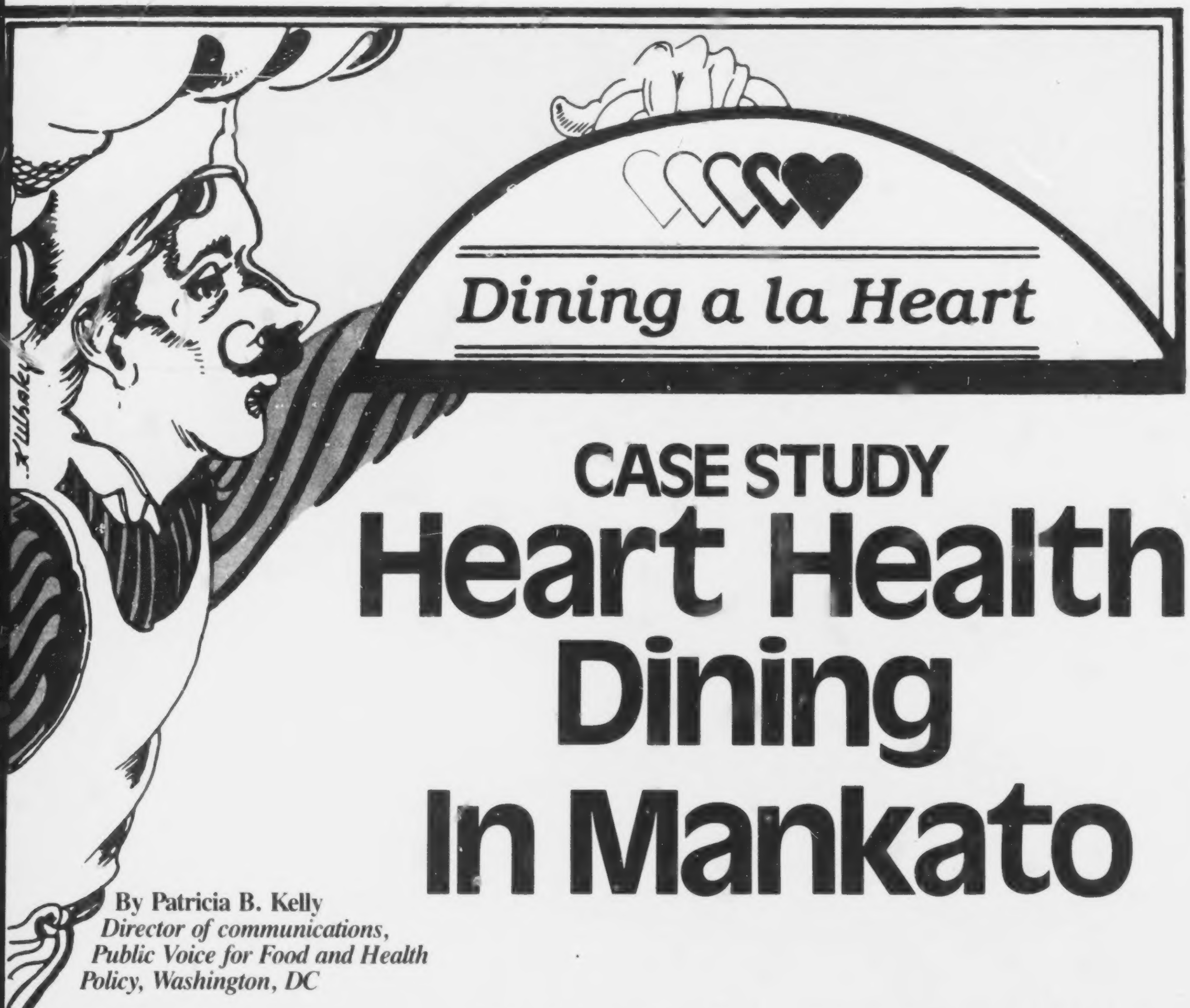
There are many subtleties and subissues that may be presented in any executive exemption controversy. The primary thorn in the industry's side, however, is the government's enforcement position that "primary duty must be management" means "50 percent or more" time spent on management activities. This is compounded by the government's failure to acknowledge that an employee can perform management duties *concurrently* with non-management duties. 29 CFR. Section 541.1 to 541.6.

From an enforcement standpoint, the government appears to be quite slow in accepting the teaching of *Donovan v. Burger King Corp.*, 675 F2d 516 (2nd Cir. 1982) and *Donovan v. Burger King*, 672 F2d 221 (1st Cir. 1982) that "primary" does not mean over 50 percent; it means "first among many" or "most important."

Since the government's trial dismissal with prejudice concerning the exemption for chefs at the Cross Keys Inn in *Donovan v. Petrancosta Corp.*, USDC W.D. Pa., CA No. 81-1978, there have been no reported cases dealing with a chef's entitlement to the exemption. There is no reason to believe, however, that the government will not press its views on this issue in its enforcement.

The only major judicial development in the executive exemption area is the recent (December 16, 1983) decision of the Third Circuit Court of Appeals in *Guthrie v. Lady Jane Co. Collieries, Inc.*, 99 LC paragraph 34,482 (3rd Cir. 1983). The Court granted the exemption to certain management employees who spent less than 50 percent of their time on management duties (i.e., 40 to 44 percent) after analyzing, as in the *Burger King* cases, many factors relevant to the determination of whether employees' "primary duty" is management.

Apparently, until there is developed further circuit court authority rejecting the government's enforcement policies on this issue, operators can anticipate continued controversy. ❑



CASE STUDY

Heart Health Dining In Mankato

By Patricia B. Kelly
Director of communications, Public Voice for Food and Health Policy, Washington, DC

What is the "B-score" of your best-selling luncheon entree?

How does a dish get "hearted"?

How can a bacon-lettuce-tomato sandwich be "heart-healthy" for lunch but not dinner—or vice versa?

In Mankato, Minnesota, population 34,000, restaurateurs know the answers to these questions. For close to two years, about 10 of the town's restaurants—representing 20 percent of the total number—have been participating in an innovative, community-wide campaign to cut back on heart disease through diet, exercise and preventive medical care.

The campaign is part of a 10-year research project funded by the National Heart, Lung and Blood Institute and directed by the University of Minnesota's Division of Epidemiology. Mankato is the first of three Minnesota areas to join the effort, (followed by Fargo-Moorhead and Bloomington) and the community has put its own heart into the program.

Schools, grocery stores, clinics, clubs, the media and restaurants are working to combat four major risk factors for cardiovascular disease: high blood cholesterol, cigarette smoking, high blood pressure and too little physical activity. The methods vary from grocery shelf labels indicating low-fat and low-sodium foods to health check-ups that reveal individuals' risk factors. The comprehensive effort is coordinated through the Mankato Heart Health Education Center.

The restaurant component of the program is the newest and one of the most innovative health education methods. It is particularly important, according to Program Nutrition Coordinator Linda Hachfeld, because it is the only organized activity that does not focus on citizens' modifying their own cooking. And Hachfeld says Mankato restaurants help reach a hard-to-reach group, 40 to 64-year-old men—both business executives and blue-collar workers—who are at high risk of heart attacks. Restaurants thus offer a key opportunity for health education.

Before the Mankato program launched its restaurant effort, it surveyed the eating-out habits of Mankatoans. According to Hachfeld, the average citizen ate out 3.5 times per week. One out of every two persons had lunch away from home, and one out of three ate dinner out. The breakfast figures were lower—one out of four to six started the day with a meal away from home.

Armed with this information, the Mankato program's restaurant effort was created in early 1982. It is a model in joint planning and participation between the Mankato Heart Health Program and community restaurateurs. Together, the two sectors crafted a unique effort to fit the needs of a community involved in a wide-scale health education program.

Getting started . . .

At the first meeting of Mankato restaurateurs and heart health program coordinators, the mutual goal was to develop a restaurant program. The group began the design process by looking at other programs and deciding what they did not want to do.

The group did not want to adopt any of the American Heart Association's Creative Cuisine models because those programs do not look carefully at sodium. "We wanted to include sodium, and we also wanted to show the quality of food choices—such as polyunsaturated oils—as well as quantity (through portion size)," says Linda Hachfeld.

The group did not want to develop a separate menu approach. Group members wanted to work with existing menus to educate all diners rather than isolating health-conscious diners by requiring them to request special menus.

After establishing the general framework, participants agreed on a method for identifying heart-healthy items on regular menus—posting tiny red hearts next to "approved" dishes. They chose their own logo—a chef—and their own name—Dining a la Heart. Most importantly, perhaps, the program managers and restaurateurs approved an elaborate scheme for analyzing the nutritional content of the dishes on restaurant menus to determine which items would receive hearts or—as they say in Mankato—which items would be "hearted." (See "B-score" box for description of program standards.)

The group, by this time a "restaurant committee," then developed a series of steps for implementing Dining a la Heart. Restaurants apply by contacting the Mankato Heart Health Program, which schedules them for an introductory visit. They are requested to submit all of their recipes and dish specifications for nutrient analysis, performed by computer at the University of Minnesota. "We even want to know how big or small they cut their lasagna," says Hachfeld. The resulting analysis determines which dishes meet program standards automatically (fresh fruits), which dishes—if modified—could meet standards (a vegetable casserole with too much salt) and which dishes could never qualify (liver and corned beef, because of average portion sizes). This process takes about a month.

Dining a la Heart

Participating restaurants in Mankato, Minnesota

Copper Alley Restaurant
Immanuel-St. Joseph's Hospital
Greenland Supper Club
Happy Chef East
Heavenly Bake-Home Pizza
Holiday Inn Downtown
Holiday Inn North
Liberty Bake-Home Pizza
Maggie's Cafe & Saloon
Marti's Pizza
Mr. Steak Restaurant

Heart Health program personnel then work with restaurateurs to "heart" the qualified items or modify the potential ones. Upon official entry into the Dining a la Heart program, the restaurateur agrees to carry out a series of ongoing tasks, including data collection; employee training (with the help of Heart Health program staff and materials); display of program literature, such as table tents, window signs and certificates of participation; and continuous contact with the program regarding any menu or recipe changes.

Early results . . .

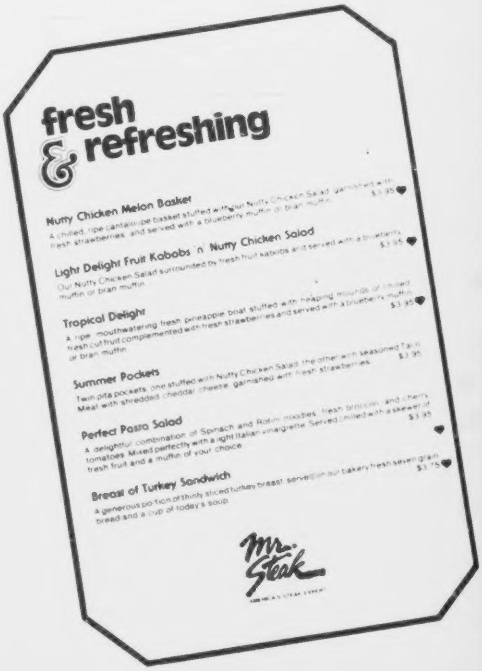
Today Dining a la Heart programs exist in a range of Mankato eating places, from white-tablecloth and family-style restaurants through fast food establishments and even a hospital cafeteria. Two prominent restaurateurs co-chair the program's restaurant committee, which seeks to assist other Minnesota communities launching similar efforts. There have been no "drop-outs" from the Mankato program, says Hachfeld, and all the restaurants that have applied so far have joined the effort.

Most of the participating restaurants have between 30 to 50 percent of their menu items "hearted," according to Hachfeld; two are at or close to 80 percent. Hachfeld sees 30 percent as a minimum level for positive community response. Fewer hearted items "probably would work against the restaurant rather than for them," Hachfeld comments. There can be a sense of "backlash" from customers who perceive that most of a restaurant menu is *not* heart-healthy, she believes.

Copper Alley, a restaurant featuring fresh American cuisine in an upscale setting, does not need to worry about that. It is the one that is 80 percent "hearted." Co-owner Micky Schulte, who co-chairs the restaurant committee with Mr. Steak franchise owner John Gallup, has been a program proponent since the beginning, and her restaurant underwent an "about-face" to achieve its "hearted" status.

Copper Alley's entree selections went from mostly deep-fat fried items to none; today the menu says in small print: "Fish may be deep fried upon request."

Finding proper recipes was a challenge, Schulte admits. But by changing preparation methods to steaming, broiling and roasting; cutting back on the amount of salt used in recipes; adding more fresh fruits and vegetables and creating low-fat meat and



fresh & refreshing

Nutty Chicken Melon Basket $3.95 ♥
A chilled, ripe cantaloupe basket stuffed with our Nutty Chicken Salad, garnished with fresh strawberries and served with a blueberry muffin or bran muffin.

Light Delight Fruit Kabobs 'n' Nutty Chicken Salad $3.95 ♥
Our Nutty Chicken Salad surrounded by fresh fruit kabobs and served with a blueberry muffin or bran muffin.

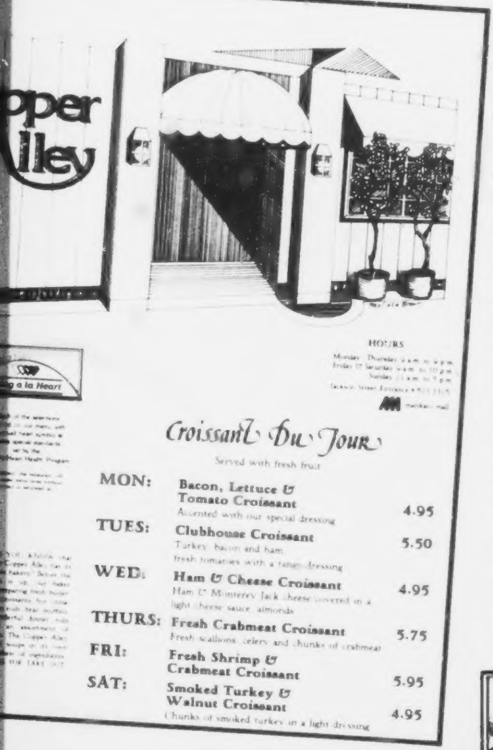
Tropical Delight $3.95 ♥
A ripe, mouthwatering fresh pineapple boat stuffed with heaping mounds of chilled fresh cut fruit complemented with fresh strawberries and served with a blueberry muffin or bran muffin.

Summer Pockets $3.95
Twin pita pockets, one stuffed with Nutty Chicken Salad, the other with seasoned Taco Meat with shredded cheddar cheese, garnished with fresh strawberries.

Perfect Pasta Salad $3.95 ♥
A delightful combination of Spinach and Rotini noodles, fresh broccoli, and cherry tomatoes. Mixed perfectly with a light Italian vinaigrette. Served chilled with a skewer of fresh fruit and a muffin of your choice.

Breast of Turkey Sandwich $3.75 ♥
A generous portion of thinly sliced turkey breast, served on our bakery fresh seven grain bread and a cup of today's soup.

Mr. Steak
AMERICA'S STEAK EXPERT


Croissant Du Jour

Served with fresh fruit

MON:	**Bacon, Lettuce & Tomato Croissant** Accented with our special dressing	4.95
TUES:	**Clubhouse Croissant** Turkey, bacon and ham, fresh tomatoes with a tangy dressing	5.50
WED:	**Ham & Cheese Croissant** Ham & Monterey Jack cheese covered in a light cheese sauce, almonds	4.95
THURS:	**Fresh Crabmeat Croissant** Fresh scallions, celery and chunks of crabmeat	5.75
FRI:	**Fresh Shrimp & Crabmeat Croissant**	5.95
SAT:	**Smoked Turkey & Walnut Croissant** Chunks of smoked turkey in a light dressing	4.95

fish sandwiches, Copper Alley expanded its original menu from 18 "hearted" items to 40. And the customer response has been overwhelmingly positive.

Schulte thinks the biggest changes for most restaurateurs have been reducing salt and switching to vegetable oils.

Mr. Steak's John Gallup was willing to switch oils, but he knew he couldn't make major item changes in his popular menu. He wasn't sure he should even consider the program for his restaurant. "We are a steak house," Gallup explains. "And they were talking about less cholesterol and lower sodium."

Gallup decided, however, to try the nutrient analysis and was happy that a number of his items qualified for hearts. They included smaller portion steaks, chicken dishes and combination plates.

Hearts intact, Gallup had a new worry: "I was afraid that the larger portion, higher-priced items wouldn't sell." The results could not have been better for Gallup, however. The "hearted" items doubled in sale but the "top end" of the menu kept its faithful customers too.

"We picked up our customer count by getting more business from people who were watching their diets," says Gallup, but "we also kept the folks who wanted more expensive steaks. The program really helped us."

The healthful approach for his kind of restaurant, says Gallup, means watching portion size and preparation method.

"There is absolutely nothing wrong with red meats," he emphasizes, "but you do not want to eat a 20-oz. T-bone steak every night."

Don Martin, owner of Marti's Pizza, also was surprised when 10 of his regular items—40 percent of his menu—qualified as heart-healthy.

"I was dubious at first," he said. "Our competition is so keen, I didn't plan on changing anything." Martin's un-hearted Italian sausage and pepperoni pizzas remain the restaurant's best-sellers. But weighing in with hearts are plain, green pepper, shrimp and hamburger pizzas; salads and Marti's Italian meatball sandwich with homemade sauce. The sauce helped qualify the sandwich as does the restaurant's special lean hamburger. Martin starts out with ground beef that is 85 percent lean then precooks it—discarding the fat—before adding it to his dishes.

Hachfeld recognizes that some fast food eateries specialize in foods and preparation methods that are some of the program's biggest stumbling blocks: deep-fat frying, deli items and prepared ingredients, such as canned soups and sauces, along with heavy doses of fat and salt. Since many are franchises, they often have little control in getting around these stumbling blocks, she adds.

Martin says many of the fast food operators presume the Dining a la Heart program would require large-

Dining a la Heart

The "B-score"

At the heart of the Dining a la Heart program is a set of dietary standards that Nutrition Coordinator Linda Hachfeld calls "a Mercedes-Benz model."

Most Heart Health diets focus on lowering daily intake of fats, cholesterol and salt. Dining a la Heart keeps track of these measures for individual dishes through a special scoring system developed by the University of Minnesota's Division of Epidemiology.

The "B-score" (B for blood cholesterol), applied to a computerized nutrient analysis of each dish, rates the levels of fat (saturated, polyunsaturated and monosaturated), cholesterol, sodium and calories in the dish. Based on an ideal daily intake of 30 percent of calories from fat, the B-score allows a total count of "10" for lunch and "15" for dinner. (Breakfast, not analyzed by the program, is assumed to have a count of 5.) The B-score also allows 3,000 milligrams (about 1½ tsp.) of sodium per day—1,000 for lunch and 1,500 for dinner. (Breakfast is given 500 mgs.) The scoring system is based on a daily intake of 2,400 calories.

Therefore, restaurant luncheon dishes that rate "10" or below and dinners that rate "15" or below on the B-score are approved for "hearting"—that is, restaurateurs may place red hearts next to those dishes listed on their menus.

The B-score rating system is "more sophisticated and complicated" than other measures, Nutrition Coordinator Linda Hachfeld says, but it also shows the "quality" or "combined positive effect" of the dish as well as the quantity of each ingredient. "It is a level-one type of standard," she says.

The next level down, according to Hachfeld, would be a list of foods based on the B-score. Even simpler would be a set of general guidelines that consider ingredients and portion size. Hachfeld says this is the approach of the national Creative Cuisine restaurant nutrition program developed by the American Heart Association.

scale menu changes. "They think there's too much work involved," he observes. "I tell them, 'You'd be surprised how many things qualify.'" Martin's efforts and John Gallup's independent approach with Mr. Steak serve to illustrate how fast food and franchise operations can adjust to Heart Health program standards.

Challenges for the future . . .

After two years, Dining a la Heart is at an administrative crossroads. Hachfeld says the program is instituting a series of changes designed to simplify the Heart Health program's involvement and is considering other ways to continue and keep visible a popular but labor-intensive effort.

"It takes an enormous amount of effort to maintain such a program," says Hachfeld. Implementation is one thing; keeping up is quite another, she adds. For example, menu changes require re-analysis, "rehearting" and constant contact with restaurateurs.

"It is a mammoth effort just to go through the menus," says Hachfeld.

Coordinators used to go into restaurants and help "heart" the menus. Now restaurants will be expected to do that themselves. The program also plans to institute contracts or agreements with restaurateurs that will clarify expectations of these tasks.

In another move toward independence, program coordinators will help restaurants work more with their employees by making available new and innovative training materials. In the works is a training manual and an audio-visual presentation to help orient new restaurant employees.

In addition to maintenance, it is hard to keep such an ongoing program visible, says Hachfeld. The innovative Mankato effort has received national attention but, to the Mankatoans themselves, it is part of a 10-year campaign they live with daily.

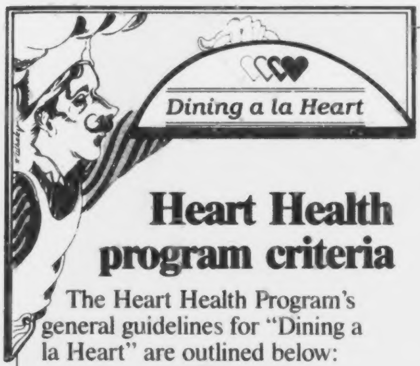
This very fact may be critical to the program's acceptance and success, according to several participating restaurateurs. Without the total heart health campaign as a framework, a restaurant effort like Dining a la Heart "might have had some impact, but not the kind of impact it has had here," says Gallup.

Schulte agrees. "Everyone here went through the Mankato Heart Health Center," she explains. "It is a unique situation for us as restaurateurs. We have had the support of educational efforts in the community to add to our own efforts."

"If we had tried this restaurant effort without the total program," says Martin, "I think we would have seen quite a bit of apathy. The community program backing it up is critical."

Finally, an additional feature of the Mankato program is the ongoing working relationship among the restaurateurs themselves. When the restaurant committee convened, Micky Schulte saw the challenge: "How do you sit down together when you all want to be unique and different? What about the competition?"

But the challenge became a strength as each individual restaurant adapted its own menu to the program and found ways to work with other participants. Joint advertising, special campaigns—such as Heart Healthy Week in October—and sharing ideas and experiences with restaurants seeking to join to help build the program and, in the process, increase heart health. ❑



Heart Health program criteria

The Heart Health Program's general guidelines for "Dining a la Heart" are outlined below:

Meats

Chicken, turkey, veal and fish are preferred meat choices. Beef, lamb and pork should be lean and well-trimmed in moderate portion sizes. All should be served without salt. If a deep-fat fried entree is hearted on a menu, it means an approved liquid vegetable oil was used in the fryer.

Side dishes

Side dishes, such as baked potatoes served with margarine, steamed potatoes or rice are preferable to french fries or au gratins. All should be served without salt.

Appetizers

Appetizers can include fresh fruits, vegetable trays, juices (with the exception of tomato or V-8 juice), or vegetables sauteed in approved oils or margarine. Only homemade soups with reduced fat and salt will be considered.

Salads

Salad bars are highly recommended.

Salad dressings

Preferred salad dressings are oil and vinegar, French or Italian and mayonnaise-based dressings, rather than sour cream dressings.

Dairy products

Margarine is recommended over butter because of low cholesterol content. Because skim, 1 percent low-fat milk and buttermilk are lower in fat and cholesterol, they are recommended over whole or 2 percent milk.

Vegetables

All kinds of fresh or frozen vegetables are recommended. Canned vegetables are not preferred because they are high in sodium. All vegetables should be seasoned sparingly with margarine or seasonings other than salt. Avoid cream or cheese sauces.

Breads

Preferred breads include white and whole grain yeast breads (no egg, cheese or butter crust bread), French and Italian bread, bread sticks, bagels, English muffins or homebaked muffins made with approved oils and limited salt.

Desserts

Desserts should include fresh fruits, angel food cake, sherbets, fruit ices, gelatin, low-fat puddings, frozen low-fat yogurt, and baked goods made with approved vegetable oils and reduced fat.

The business tea

New draw for luxury hotels

The afternoon tea is pushing its way into business calendars across the country. Once the reserve of the leisure class, it is undergoing a facelift as business executives turn to tea as a congenial setting for a meeting outside the boardroom or office.

The afternoon tea—not to be confused with a high tea, which in proper English manners is a hearty evening meal—is served roughly between 3:00 p.m. and 5:30 p.m. The fare is light, consisting of tea, finger sandwiches, scones and pastries.

The time is right . . .

From a dining standpoint tea time lends itself to business applications. The time is right. Because it comes at a metabolic and, for many, a mental energy low point in the day, it acts as a quick, non-disruptive pick-me-up. For the health-conscious it has advantages as well because it is calorically lighter than a full meal, and tea is a pleasurable alternative to alcohol.

But perhaps most important to the success of the afternoon business tea is its ambiance. According to etiquette doyenne Letitia Baldridge, a consultant to Jacqueline Kennedy at the White House and author of the forthcoming book, *The Letitia Baldridge Encyclopedia of Business Manners*, tea time affords an ideal setting for business meetings. "It's a quick, pleasant way to do business," she says. "It's efficient and gracious and is done in a casual atmosphere."

Baldridge emphasizes the importance of elegant service and ambiance as central to tea time's "ceremonial aspect." The cups and saucers should be porcelain, preferably bone china, and the teaspoon, sugar tongs and lemon fork should be silver or silverplate. The napkins should be cloth. The tea should be freshly brewed in boiling hot water, and one should strain one's own tea. Tea bags are taboo.

Hotels respond . . .

One industry segment that is responding to the popularity of business teas is the hotel dining room. At the Berkshire Place, New York, NY, the fixed menu includes smoked salmon and cream cheese, cucumber and other finger sandwiches, fresh scones with whipped cream and jam, and a choice of Irish whiskey cake or assorted fresh pastries. The tea selections include standards like Ceylon and a special decaffeinated raspberry.

The Waldorf-Astoria, New York, NY, has turned tea time into a signature item. Since instituting its tea service in March 1983, it has added selections at the rate of six per month and currently offers guests 100 types of tea.

Other hotels offering business executives a relaxing time out in the middle of the afternoon include the Parker House in Boston, MA; the St. Regis in Detroit, MI; the Inn on the Park in Houston, TX; the Four Seasons in Philadelphia, PA, and Washington, DC; and the Fairmont and the Mark Hopkins in San Francisco, CA. The price range for this business tea service usually falls between $8 and $14 per person.

A finishing touch offered by several of the most successful tea service hotels is live music. The Berkshire Place and the Helmsley Palace in New York City both flavor the tea time atmosphere with harp music, and New York's Plaza Hotel features violin strains in its Palm Court. Chicago's Mayfair Regent opts for piano music.

—Jay Pinkert

Tea—black, green and oolong

Next time you make a cup of steaming fragrant tea, the brew you steep will, in all probability, be a blend of some 20 to 30 varieties of tea—carefully selected by expert tea tasters to maintain the high quality and flavor of each particular brand.

In general, teas fall into three classifications: black, green and oolong. All three types come from the same tea bushes. It's what happens after the leaves are picked that makes them different.

Black tea undergoes a special processing treatment—oxidation—that turns the leaves black. In making green tea, the oxidation process is omitted. As a result the tea is green in appearance and has a light color when brewed. Oolong tea is a compromise between black and green tea. It's semi-processed so the leaves are partly brown and partly green. It, too, brews light in color.

Black teas—principally from India and Sri Lanka (Ceylon)—are by far the most popular in the United States today. About 97 percent of all the tea consumed in America is the black type. Within the three general classifications there are literally thousands of varieties of tea. Like wines these often take their names from the districts where they are grown.

Regardless of the variety used tea experts recommend that tea be brewed systematically. First, rinse out a teapot with hot water. Second, bring freshly drawn cold water to a full rolling boil—only fresh boiling water can bring out the true flavor of the tea. Third, use enough tea—one teaspoon of tea or one teabag per cup—and pour the boiling water over the tea. And finally, brew by the clock for three to five minutes. Don't guess—some teas brew light, some brew dark but it takes time for all tea leaves to release their flavor.

—Tea Council of the U.S.A. Inc.

EDUCATION

Don't miss NRA's California Wine Workshop

By Joseph N. Koppel, Ph.D. Michigan State University

NRA's ninth annual California Wine Workshop is coming up soon: September 29–October 3. If you have not attended the workshop before, you may wonder why you should take part. The reasons are many, but the primary reason is to find ways to uncork new profits or increase your present return in beverage sales.

The only problem (if you can call it that) during the five-day workshop is sensory overload. Here is a review of what I experienced at last year's workshop.

The program began with a component tasting session. Tannic acid, sugar and sulphur elements were isolated. This exercise sharpens the most veteran taster's skills as well as develops those of the novice. Science and technology have not yet developed a better method of assessing the quality of wine than that of human judgment through the sense of taste. When you make major purchasing decisions, your skill as a taster is most important.

After this introduction, we visited several wineries from the mountaintops of Santa Cruz to the Carmel Valley: Fogarty, David Bruce, Durney, Sycamore Creek, Turgeon Lohr, Mirassou and Paul Masson's sparkling wine facility. Our knowledge of wines improved with each visit, and our palates became more sophisticated with each guided tasting at the wineries.

The California Wine Workshop is designed for the novice and the wine connoisseur alike, and both will learn much. Edmund Osterland, in his book *Wine and the Bottom Line*, reminds us of the sales axiom "In order to sell, you must tell; in order to tell, you must know!" So what can be learned by attending the workshop? First, you can be introduced to winemakers and distribution representatives who can help you select future items on your wine list. This can be accomplished by tasting, discussing the merit of unreleased wine and learning what wine is selling and what wine might work for you in your restaurant.

Second, you will meet some outstanding people at the workshop who, too, are enjoying while they are learning. Both the people of the wine community and your fellow restaurateurs are there for a relaxed exchange of information. Questions such as, "How much longer will your 1978 cabernet sauvignon be at an optimum level of flavor quality?" can be answered. Also important is the idea swap that happens informally. You can learn about "wine of the month" programs, which wines are selling and which ones are not in different operations across the country, and how to motivate your staff to increase wine sales.

We also enjoyed a discussion of selling in wine bars, a stimulating session on merchandising by Eddie Osterland, a presentation

CABERNET
SAUVIGNON

by wine writer and restaurant critic Andy Dias-Blue about consumer preferences in the marketplace, and question and answer periods with noted winemakers. I taught a session on why certain foods complement certain types of wine, combining three wines by the Durney vineyards—chenin blanc, cabernet sauvignon, and Johannesberg Riesling—with three major courses of food—smoked salmon, loin of lamb and an orange glace dessert.

Wine workshop facts

Date: Sept. 29 to Oct. 3, 1984
Place: Sonoma Valley; accommodations at Sonoma Mission Inn
Cost: NRA members—$995, non-members—$1095; $250 deposit required; refundable through September 14
What's included: tours of nine wineries (Rodney Strong, Alexander Valley, Simi, Jordan, Grand Cru, Sabastiani, Iron Horse, Hacienda and F. Korbel & Bros Champagne Cellars); tasting of at least 75 wines; two gourmet dinners; two lavish tasting receptions; four continental breakfasts; four catered luncheons; four nights accommodations and five educational programs.
To register: Contact NRA education programs department (202)638-6100 or (800) 424-5156.

With nine possible combinations, there was a consensus from this distinguished group of restaurateurs. First, the members preferred the smoked salmon with the chenin blanc. The probable explanation of this choice is that the chenin blanc was dryer (lower in sugar) compared to the Riesling. This sweetness seems to detract from the desired smoked flavor of the salmon. The natural tannic acid in the cabernet sauvignon (and in most red wines) often produces a slightly bitter taste when combined with most seafood.

Second, with the loin of lamb, NRA members were in keeping with tradition by matching this with the cabernet sauvignon. This is a classical food and wine affinity. It occurs due to the tannic acid, which helps cut through the normally high fattiness of the lamb. The natural seasoning of rosemary further contributes to the complementary relationship because of the moderate flavor intensity of the red wine. Conversely, our two white wines, which were much lighter in flavor intensity, were rendered almost tasteless by the dominant flavor of the lamb.

Our third choice with the orange glace dessert was the Johannesberg Riesling. This slightly late harvested and floral wine was a natural match. The wine seemed to have a hint of "orange blossom" in the taste. The orange zest (citric acid) used in the recipe was slight enough to not clash with the other natural acids in the wine. The chenin blanc was a distant second choice because of the combination of fruit and sugar found in both the food and wine. The cabernet sauvignon was a poor choice due to the wine's moderate to high flavor intensity and dryness.

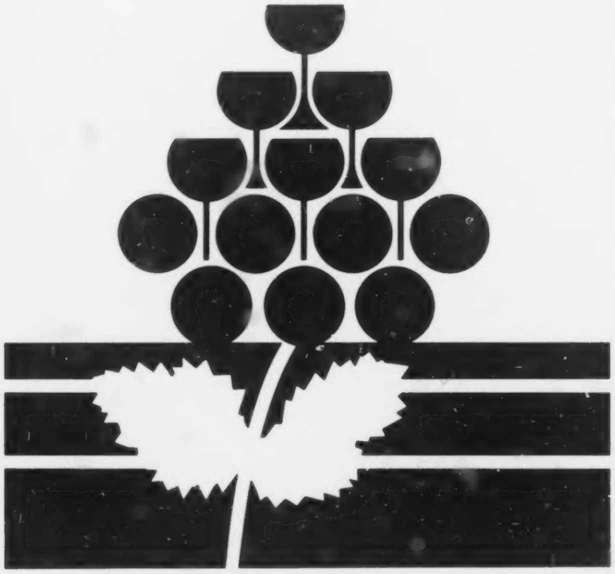
How did we draw this fantastic educational experience to a close? Dinner at NRA's Vice President Ted Balestreri's Sardine Factory in Caramel.

By now you may wonder how the NRA staff will follow last year's act. Details for the ninth annual California Wine Workshop are nearly finalized—and you can be sure it won't be a comedown from last year's workshop!

This year participants will head north from San Francisco to Sonoma. As many of you know (or will come to know by attending the workshop), this wine region is battling Napa for the right to be considered the number one wine-growing and producing region in California. It has a full range of varietal grapes as well as many microclimates that provide a wide choice of wines.

Educational sessions planned for this year are on such topics as winemaking, wine merchandising, current consumption patterns and staff training, and food and wine combinations.

I encourage you to attend this year's wine workshop to learn more about the product, to meet your fellow professionals and, above all, to simply enjoy this valuable learning experience.



National Conference Series

Each NRA national conference offers a unique opportunity for operators to gather together and explore trends, problems and innovations in specific areas of foodservice operations. In addition to the wine workshop, NRA's 1984–85 Conference Series includes

- **National Conference on Off-Premise Catering**
  Washington, DC; October 28–31, 1984
- **National Management Conference for Independent Operators**
  New Orleans, Louisiana; January 27–30, 1985
- **National Conference on Computers in Foodservice**
  Las Vegas, Nevada; March 24–27, 1985

Fisher's Law #54

Transforming executive "burnout" to "light-up"

In recent years, considerable attention has been paid to a work environment condition that has been termed "executive burnout." Burnout often occurs during the middle years when "change of life" or "mid-life" crisis is common.

Alleged causes of this malady can range from overwork (real, self-imposed or imagined) to feelings of helplessness in the face of an increasingly competitive and complicated world (information overload, travel overload and so forth).

Symptoms can range from changed behavior on-the-job (declining productivity, carelessness, irritability) to changed behavior off-the-job (overeating, waking up in the middle of the night) to a generalized pervasive anxiety (crumbling of mental toughness, self-doubt, "weight-of-the-world-on-my-shoulders" feeling).

In times past, senior management showed little concern for subordinates suffering from the burnout syndrome. The prevailing sentiment may well have been, "I've got my own problems; I can't take on yours as well," or "If you can't take the heat, get out of the kitchen."

Today's enlightened management is more concerned with preventing burnout. It has recognized investment in subordinates in terms of both social and corporate fiduciary responsibility. It also has recognized the difficulty of replacing highly talented, competent management and the financial incentive to inhibit escalating health care costs.

Fisher's 54th law needs expression at this point. **Concerned managements combat executive "burnout" in subordinates with "executive light-up" or "executive re-ignition" systems, which allow for continued thrust in pursuit of organization objectives.**

How can an organization implement this approach? Here are some suggestions.

1. **The verbal briefing.** Many organizations require written weekly reports from management subordinates. These reports serve as a barometer of business activity, provide early warning alerts to pending problems and so forth. I have found, however, that verbal reports are more stimulating to both the person giving the report and the receiver of the information. In voice-to-voice communications, you can give the subordinate a pep talk if necessary, and he/she can feel that you are really listening to what is being said. The verbal report has the added advantage of being more current than a written document and is seldom perceived to be the "chore" that some people regard written reports to be.

Face-to-face communication is best, if possible, but even voice-to-voice (telephone) is preferable to weekly written reports.

No, I'm not denying the value of written status reports. They have their place, of course, but a monthly written report is usually adequate for most purposes.

2. **The change of assignment.** Burnout victims often feel they are in a rut, mired in a morass of matter from which there is no escape. It can be stimulating to a burnout victim to receive a new assignment. This does not have to be an upheaval of one's total responsibility. Heading a task force to address a specific issue in a troublesome area is one example of a special assignment. This technique will not work if you are just "piling on" more work for the subordinate to wrestle with, but if you can withdraw the person temporarily (one to three months) for a special project, it can inject vigor into an existing flat situation.

An alternative is to add one "new" responsibility on a day-to-day basis, but transfer one "old" responsibility to someone else, which, in turn, becomes a new responsibility to the transferee.

3. **A change of environment.** This does not mean a cross-country relocation, which is costly and can be stress inducing in and of itself. Rather, it means making the work space more desirable. If a person has a "windowless" office, for example, it may be therapeutic to change him/her to an office that has an outside view. On the other hand, an inside office, that has non-load bearing partitions, could be altered to have a glass partition. This can "open the world" to an employee and can have positive results.

A changed environment can mean installing new carpeting, different wall-hangings, new desk, chair and so forth.

Although these changes may seem minor, they can provide a refreshed lease-on-life to a burnout sufferer.

4. **The presentation.** Another avenue designed to break a person out of the emotional doldrums is to have him/her give a presentation about the company or about his/her department or function. There are numerous opportunities for this. For example, career days in high schools, college recruiting and other departmental meetings all offer opportunities for the speaker to prepare, and place in perspective, the subject which is being addressed.

There are a number of other aids that can be offered a person who may be on the downhill slide to the burnout pit, such as an exercise program, travel to a seminar, a physical examination, a weekend at a resort for the person and spouse, a temporary transfer and so forth.

You see the point. Once again, the way to transform a "burnout" case, is to put "light-up" or "re-ignition" forces in motion. A dying ember can be rekindled into a bright flame if you give it combustible material and fresh air.

For further information, contact:

National Restaurant Association
311 First Street, N.W.
Washington, D.C. 20001
(202) 638-6100

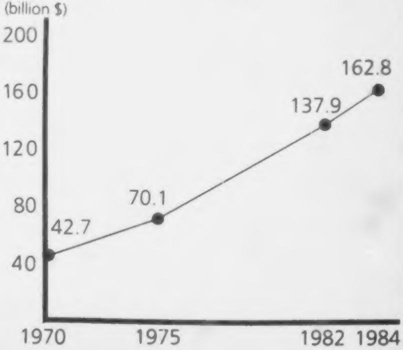
1984–85 Officers of the
National Restaurant Association

Chairman of the Board and President—
Harris O. Machus
Vice President—
Ted Balestreri
Treasurer—
G. "Jim" Hasslocher

Foodservice—
First in number of units . . .

1. Commercial Feeding	389,269
2. Institutional Feeding	167,034
3. Military Feeding	1,256
	557,559

Foodservice sales have quadrupled since 1970 . . .



Foodservice Sales Projection, 1984: $162.8 billion

Commercial Feeding	Sales '84 (billion $)
Eating Places	$ 103.5
Drinking Places	8.9
Foodservice Contractors	8.9
Hotel/Motel Restaurants	8.7
Other: Retail, Vending, Recreation	9.7
	$139.7

Institutional Feeding	Sales '84 (billion $)
Business, schools, hospitals, nursing homes and others which operate their own foodservice	**$ 22.3**

Military Feeding	Sales '84 (billion $)
Base exchange, officers' and NCO Club foodservice	**$ 0.8**

Foodservice—The number one retail employer . . .

- Employment in the foodservice industry equals more than 8 million persons
- Two-thirds of the industry's employees are women and one-fourth are teenagers.
- Sixty-four percent of job openings will be taken by women, and 49.2 percent will be taken by teenagers.
- Total annual foodservice wages and benefits equal nearly $50 billion.

Foodservice is a ladder to management opportunity . . .

- 31 percent of industry employees are managerial or administrative personnel.
- Foodservice employs more minority managers than any other industry.
- Half of all foodservice managerial and administrative personnel are women.

Foodservice—An integral part of our nation's economy . . .

- Foodservice will achieve a real gain in sales of 4.1 percent in 1984.
- Foodservice industry sales equal nearly 5 percent of the U.S. Gross National Product.
- Foodservice receives 37.9 percent of all consumer expenditures for food.
- Food and beverage purchases will total $67.5 billion in 1984.

Foodservice—First in daily customer contact . . .

- Individuals eat out an average of 3.5 times a week.
- Nearly 80 million customer transactions occur each day at Commercial Foodservice establishments.
- Eight out of 10 households report eating out regularly.
- Per person check equals $3.22.
- Breakfast is capturing a rising share—8.5 percent of the occasions in 1983 versus 7.2 percent in 1980.

Chains and franchises grow in importance . . .

- Chains with more than one unit account for $39 billion of eating and drinking place sales.
- Chains with 100 or more units contribute over $17.5 billion of eating and drinking place sales.
- Sales of franchise restaurants reached $34.2 billion in 1982, up from $4.6 billion in 1970.

Eating and drinking places are mostly small businesses . . .

- The vast majority have sales under $500,000.
- Most are single unit operations.
- More than half are sole proprietorships or partnerships.
- The average sales per establishment for a full service restaurant was $382,765 in 1982.
- The average sales per establishment for a fast food restaurant was $326,855 in 1982.

TO YOUR HEALTH

Food irradiation—no longer a technique of the future

Keeping our food supply safe and abundant is a difficult and demanding task. Insects, pests and microorganisms can spoil food and make it unsafe to eat. Many foods are seasonal and highly perishable.

To process and store food many techniques have been employed—from drying, smoking, salting, freezing, refrigerating, and canning to using pesticides and preservatives. Soon irradiation may be added to the list.

Irradiation, as a process, is not new. It has been studied by scientists for nearly 30 years.

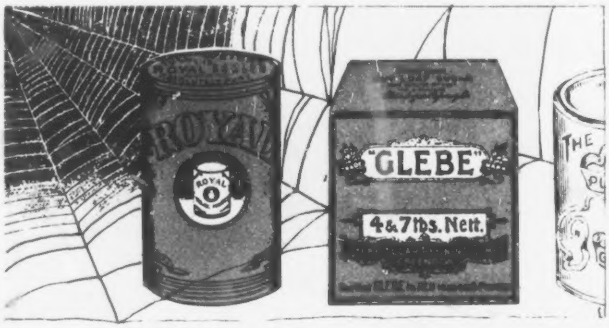
Irradiation is by definition the act of exposing matter to radiation, specifically to gamma Xrays or electron-beam (BETA) processing. It does not make food radioactive.

Irradiation has been an experimental technique until this year because the 1958 amendments to the Federal Food, Drug and Cosmetic Act, commonly referred to as the Delaney Amendment, prohibit the use of a new food additive until the sponsor establishes its safety and the Food and Drug Administration (FDA) issues a regulation specifying conditions for safe use.

In the February 14, 1984, issue of the *Federal Register,* the FDA published a notice of proposed rulemaking for using ionizing radiation to treat foods. The proposed regulations would permit food to be irradiated

- to inhibit the growth and maturation of fresh fruits and vegetables
- to disinfect food of insects and
- to disinfect species of microbes.

The doses of irradiation are set at specific limits for each purpose.



Uses of irradiation . . .

Irradiation, used in various doses and time exposures, can serve many purposes, including

1. *Sterilization.* This is a high-dose treatment that can kill all the microorganisms in a food. Sterilized food can be stored in sealed containers for years at room temperature without spoiling.

Currently, scientists are experimenting with high-dose radiation as a partial alternative to sodium nitrite. Experimental irradiated bacon and pork sausage have been produced using no nitrites. The taste is reported to be acceptable, although different from conventional bacon.

2. *Pasteurization.* This is the widely-used process that decreases—not eliminates—the number of microorganisms in a food, destroys food poisoning bacteria and delays spoilage. It would require moderate levels of irradiation.

3. *Disinfestation.* Low-dose irradiation kills insects in grains and other stored foods. It could replace disinfestation by fumigants or pesticides, replacing ethylene dibromide (EDB).

4. *Sprout inhibition.* A very low-dose irradiation exposure can inhibit sprouting of vegetables, such as potatoes and onions. Currently chemicals are used for this purpose.

5. *Delay of ripening.* Low dose irradiation can delay the ripening of some fruits, thus extending storage life.

The FDA now believes that food irradiation is safe because it causes no increase in radioactivity in foods and because it does not create new chemical species. The amount of chemical change induced by food irradiation is believed to be very small and comparable to the amount of chemical change that results from natural growing conditions or routine processing practices.

Research still continues, and the FDA maintains resources in

- general toxicity
- nutrition
- microbiology and
- packaging.

Mixed reactions . . .

With so much to consider, it is not surprising that food irradiation is a controversial issue. FDA has received approximately 4,000 comments on the proposed regulation. Generally food irradiation is receiving praise from food processors and growers because of the vast improvement in quality, safety and shelf life of food irradiation would provide, concern from consumers about radiation exposure and a range of mixed emotions from scientists.

Some scientists maintain irradiation has been tested sufficiently and should be implemented. Others believe the process is too unique to be free from concern, and they worry about the possible consequences of long-term exposure to irradiated foods.

Two bills, similar in content, have been introduced in the House and Senate. They endorse food irradiation and specify its difference from food additives. These bills would define all food irradiation treatment as a food process.

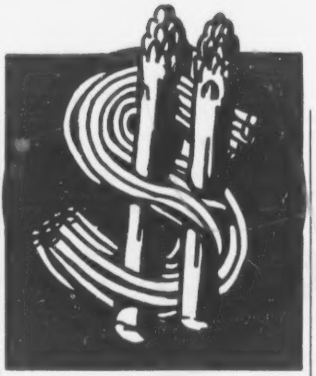
In addition, the bills would establish the Joint Operating Commission for Food Irradiation that would coordinate and manage every area of food irradiation research and development. The commission also would act to promote consumer acceptance of food irradiation and would encourage private technological development in this area.

Whether food irradiation becomes a technique used regularly in the U.S. to process and store foods depends upon the action of the FDA, the influence of Congress and the mandate of consumers.

—Karen Sherwood, R.D.

FOODSERVICE TRENDS

Revised 1984 forecast



The National Restaurant Association has revised its 1984 forecast for food and drink sales and menu prices based on recently released information from the *1982 Census of Retail Trade* and information on menu price inflation published by the Bureau of Labor Statistics.

The retail census data revealed that NRA's eating place sales estimates were somewhat low for 1982 and subsequent years and that our estimates for bars and taverns and retail hosts were slightly high. Consequently, we have revised our sales volume estimates in these categories between 1982 and 1984.

NRA now expects menu prices to rise only 4.6 percent in 1984, not 5.3 percent as originally forecast. More moderate advances in food and overhead costs as well as the desire by many operators to hold down menu price increases have helped dampen menu price inflation.

As a result of the lower menu prices, several segments of the industry will experience stronger real (adjusted for inflation) sales gains, and we have revised these estimates accordingly. The percent changes based on current dollars will remain as originally forecast.

Total industry sales are now expected to reach $162.8 billion, an 8.9 percent increase in current dollars and a 4.1 percent rise in real (inflation-adjusted) dollars. This is up significantly from the original forecast of $157 billion and a real sales gain of 3.5 percent. (See "Foodservice Trends" section of the December 1983 ***NRA NEWS*** for complete 1984 forecast.)

Sales for the *Commercial Group* will reach a revised $140 billion, up 9.3 percent from 1983. Real sales for this segment will advance 4.7 percent versus an original prediction of 4.0 percent. *Institutional Group* and *Military Group* sales will remain unchanged.

Within the commercial segment, *eating place* sales are expected to total $103.5 billion versus $96.7 billion as shown in the original forecast. Real sales (inflation-adjusted) will be up a substantial 5.2 percent, significantly above the original prediction of 4.5 percent.

Among eating places, *restaurants and lunchrooms* will provide most of the improvement in sales. Sales for this sector are predicted to total $55 billion, up strongly from the $50 billion originally forecast.

Limited menu (fast food) sales are expected to total $43 billion, slightly above the $41.2 billion previously estimated.

Estimated food and drink sales for *bars and taverns* have been revised downward. Sales are now expected to reach $8.9 billion, compared with the original prediction of $9.8 billion.

Retail host sales have also been lowered and are expected to total $4.2 billion in 1984, down slightly from the $4.3 billion originally estimated.

Final sales data from the 1982 retail census are expected later this year, and this may result in some further revisions to the 1982, 1983 and 1984 figures. In addition, revisions to food and drink sales for 1978 through 1981 will also be done later this year. These changes will primarily affect the eating place and retail host segments as well as bars and taverns. Readers will be kept posted on these revisions here in the "Foodservice Trends" section of ***NRA NEWS.***

Revised foodservice industry sales*
1982–1984

	Sales (000) 1982	1983	1984
Restaurants and lunchrooms	$ 46,288,290	$ 50,361,660	$ 54,994,932
Limited menu (fast food) restaurants	35,141,860	38,831,755	42,986,753
Total eating places	86,181,883	94,290,452	103,511,005
Bars and taverns	7,902,348	8,336,977	8,903,892
Total eating and drinking places	94,084,231	102,627,429	112,414,897
Retail hosts	3,601,477	3,857,182	4,181,185
Total Commercial Feeding Group	117,444,921	127,725,290	139,654,599
Total Institutional Feeding Group	19,733,319	20,905,530	22,251,962
Total Military Feeding Group	714,160	774,285	844,211
Grand total	**$137,892,400**	**$149,405,105**	**$162,750,772**

*Revisions based on preliminary data released from the *1962 Census of Retail Trade.*

Note: The figures shown here are revisions to sales information published in the December 1983 issue of ***NRA NEWS.*** All other figures remain unchanged.

Sources: Malcolm M. Knapp, Inc., National Restaurant Association.

1984 annual operating ratio report now available

Foodservice industry operators as well as investors frequently seek information on the financial and operating data of the nation's restaurants. In response to these inquiries, the National Restaurant Association has published *Restaurant Industry Operations Report '84*.

This annual study, conducted jointly by NRA and the international accounting firm Laventhol and Horwath, contains a wealth of information that is not available from any other public source. The financial data for this study were supplied by NRA members, and the analysis was performed by Laventhol and Horwath.

Approximately 800 questionnaires were received from members of the NRA, and 705 surveys were used as a basis for this report. Those questionnaires that were not included in the final tally were omitted because the information present was either incomplete—often not spanning the full 12-month fiscal cycle—or presented in a form that did not correspond with the other surveys—companywide data rather than information on a unit basis.

What's in the report . . .

This comprehensive report includes specific financial information on full and limited menu restaurants with tableservice, limited menu restaurants without tableservice (fast food) and cafeterias. Information is broken down by restaurant type, location, sales volume, menu theme and by years of operation. The report has been divided into two sections—one for restaurants serving food only and the other for restaurants serving both food and alcoholic beverages.

The restaurants participating in this study represent a broad cross section of the foodservice industry. In most cases, comparisons between categories can be made with *Restaurant Industry Operations Report '83*. For the second year information on meals served and cross-tabulations for such breakdowns as organization type (single unit, multi-unit) and affiliation (franchisee, non-franchisee) are presented.

The restaurant industry dollar: Food and beverage restaurants, 1982–1983

Where it came from

	1983	1982
Food sales	72.0%	72.6%
Beverage sales	25.6	25.5
Other income	2.4	1.9
Total	100.0%	100.0%

Where it went

	1983	1982
Food cost	27.9%	28.6%
Beverage cost	6.6	7.0
Payroll	25.4	27.6
Employee benefits	3.8	2.8
Direct operating expenses	5.8	6.1
Music and entertainment	1.0	0.8
Advertising and promotion	2.2	2.0
Utilities	3.1	3.0
Administrative and general	4.0	4.5
Repairs and maintenance	1.8	1.9
Rent	5.8	4.5
Property taxes	0.8	0.6
Other taxes	0.6	0.8
Property insurance	0.8	0.9
Interest	1.5	1.4
Depreciation	3.3	3.1
Other deductions	1.4	1.0
Net income before income tax	4.2	3.4
	100.0%	100.0%

Source: *Restaurant Industry Operations Report '84*, published by the National Restaurant Association and Laventhol and Horwath, July 1984.

The accompanying charts are a sample of the information included in this valuable report. These same data are available for full menu and limited menu restaurants as well as for restaurants serving food only. Other information presented in the publication includes

- Analysis of employee data—employees per seat, average sales per employee
- Earnings ratio by type of restaurant and
- Figures for total cost of sales.

How to order report . . .

Restaurant Industry Operations Report '84 is now available at a cost of $17.50 (plus $2 shipping and handling) for NRA members and $35 (plus $3.50 shipping and handling) for nonmembers. DC residents add 6 percent sales tax. Illinois residents add 7 percent sales tax. Chicago residents add 1 percent sales tax to the Illinois sales tax. To order, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call 800-424-5156. Payment *must* accompany all orders. Credit card telephone orders are accepted. Please specify number CS954 when placing your order.

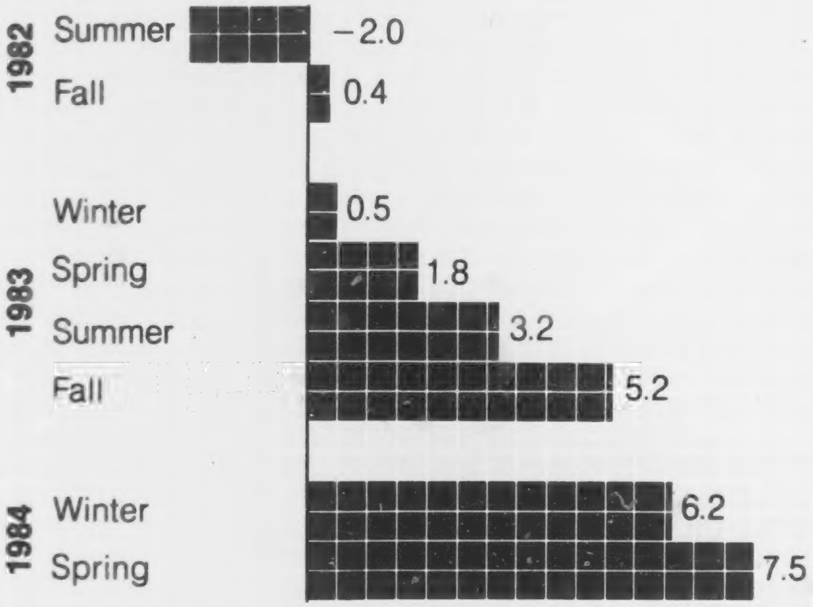
CREST Highlights

- The CREST *Household Report* has an expanded sample base that now includes singles.
- Customer traffic leaped 7.5 percent during the spring quarter, the strongest gain since the *Household Report* began in the summer of 1981.
- Visit frequency rose 2.2 percent, and the proportion of households dining out increased to almost 80 percent.
- Sales continued to climb, rising 11.8 percent in the spring. This compares with a 9.9 percent gain in the winter and a six percent increase in the fall quarter.
- The average check size reached $3.38—a moderate four percent increase.
- Upscale restaurants posted the largest traffic increase—10.3 percent. Quick service establishments followed with a 7.7 percent gain and midscale restaurants reported a 6.1 percent increase.
- Breakfast traffic advanced 15.9 percent, dinner traffic gained 8.7 percent, and lunch traffic was up 8.1 percent.

CREST REPORT

March-April-May

Percent change in quarterly traffic
(summer 1982-spring 1984)



Note: Percent change is from the same quarter in prior year.

Source: *CREST Household Report*, CREST, NPD Research, Inc.

NRA introduces the new CREST *Household Report*

New format for CREST . . .

With this issue NRA introduces a new format for the quarterly "CREST Report" based on data from the CREST *Household Report* rather than from the CREST *Family Report*. The new report provides an expanded sample base. It incorporates the influence of singles and non-related households, adding 2,800 non-related households to its sample of 10,000 family panelists.

The *Household Report* also introduces a new format for analyzing the various restaurant types. Restaurants are now grouped according to their service format into one of three major segments instead of the original perceived restaurant types (fast food, family, cafeteria and atmosphere/specialty). Here is a look at the new groupings.

(1) **Quick service restaurants**

- Primarily fast food establishments
- Usually do not offer tableservice
- Often offer take-out service
- Check size averaged $2.22 in 1983.

(2) **Midscale restaurants**

- Includes restaurant types, such as family, cafeteria and coffee shops
- Usually offer tableservice
- Some offer wine and/or beer, but few provide cocktails
- Check size averaged $3.79 in 1983.

(3) **Upscale restaurants**

- Primarily white tablecloth restaurants
- Offer full service
- Usually offer wine, beer and cocktails and accept credit cards
- Many accept reservations
- Check size averaged $8.24 in 1983.

To give operators even more detailed information, NRA has developed subcategories for the three service segments. This breakdown should help restaurateurs gain a more meaningful perspective for comparison of their establishment's performance. (See the chart below for a complete breakdown of these categories and the specific restaurant types each contain.)

Information from the *CREST Household Report* was first reported during the 1981 summer quarter, which means there is now enough historical data to provide a thorough comparative analysis of the *Household Report* information. For the convenience of readers, however, we have included the *Family Report* results for the spring quarter.

NRA's CREST Report will continue to summarize total industry traffic, industry sales, visit frequency and meal period information.

Customer traffic leaps 7.5 percent . . .

Customer counts at the nation's restaurants leaped 7.5 percent during the March-April-May quarter—the strongest quarterly performance since the *Household Report* started in the summer of 1981. This maintains a steady upward climb in traffic growth. Traffic was up 6.2 percent during the winter quarter and 5.2 percent in the fall period.

The significant traffic gains reflect the continued strength of the economy. Consumer confidence remains high due to the fairly stable inflation rate, moderating food costs and the continuing drop in the rate of unemployment. For instance, the unemployment rate dropped to 7.5 percent in May—the lowest it's been since August 1981. Inflation has remained moderate and recorded a 4.4 percent average gain during the first five months of the year. Menu prices, as reflected in the food away from home index, rose 4.2 percent between January and May from a year earlier—slightly slower than the overall increase in consumer prices.

The outlook for the second half of the year looks increasingly bright. For example, the U.S. Travel Data Center has forecast that travel will hit an eight-year high during 1984 and vacation travel will jump six percent. This should give the restaurant industry a healthy boost—particularly during the summer months.

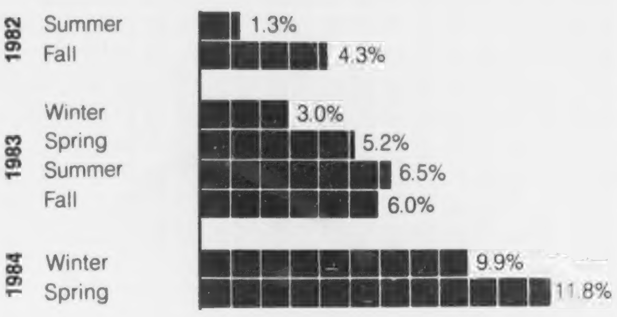
More good news: NRA has revised its original

Quick service restaurants	Midscale restaurants	Upscale restaurants
Sandwich/varied menu* —Varied menu —Hamburger —Other sandwiches —Retail —Unclassified	**Family style*** —Varied menu —Family style —Unclassified	**Varied menu*** —Varied menu —Unclassified
Specialty* —Fish/seafood —Chicken —Pizza —Barbecue —Other	**Specialty*** —Fish/seafood —Family steak —Sandwich —Barbecue —Other	**Specialty*** —Fish/seafood —Steak —Barbecue —Other
Ethnic* —Mexican —Oriental	**Ethnic*** —Mexican —Oriental —Italian	**Ethnic*** —Mexican —Oriental —Italian
Snack* —Ice cream —Donut	**Hotel/Retail*** —Hotel —Retail	**Hotel***
	Cafeteria*	

* Restaurant subcategories which will be reviewed in each quarterly "CREST Report."

menu price prediction for 1984 and now expects menu prices to rise only 4.6 percent rather than 5.3 percent. Consequently, real sales (adjusted for inflation) for eating places are now projected to jump 5.2 percent—up from the 4.5 percent previously predicted.

Percent change in quarterly CREST sales*
(summer 1982-spring 1984)



* Sales based on total U.S.; average for two-week period each quarter.
Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST, NPD Research, Inc.

Households dining out more often . . .

The traffic gain in the spring quarter was particularly strong because more households were dining out, and they were doing so more often.

The average number of times families and singles visited restaurants—visit frequency—rose a healthy 2.2 percent during the March–April–May period. This compares with a 2.9 percent gain during the winter and a slight 2.0 percent increase in the fall quarter. Nearly 80 percent of households dined out at least once during the quarter—up nearly one percentage point from the same quarter last year.

An analysis of visit frequency and proportion of households dining out by industry segments—quick service, midscale and upscale—shows that quick service restaurants experienced the largest gains. Visit frequency was up by 2.2 percent in this segment. Midscale and upscale restaurants registered slight decreases in visit frequency—0.3 percent and 0.9 percent, respectively.

Restaurant sales up 11.8 percent . . .

CREST sales continue to post strong gains and advanced 11.8 percent during the spring period. This compares with a 9.9 percent increase in the winter quarter and a 6.0 percent gain during the fall months.

The average expenditure for a restaurant meal or snack—per person check size—rose a moderate 4.0 percent during the spring quarter. This is up slightly from the 3.7 percent gain posted in the winter period.

The 4.0 percent increase in average check size is lower than the 4.2 percent gain in menu prices recorded by the Consumer Price Index (CPI) for food away from home during the months of March, April and May.

Traffic up during meal periods . . .

Traffic increased substantially during the three major meal periods in the spring quarter, but breakfast stole the show by posting a 15.9 percent gain. Lunch traffic jumped 8.1 percent—its strongest performance since the CREST Household Report began. The continuing decline in unemployment has most likely helped boost traffic during this meal period. The dinner meal also experienced a healthy quarter, with traffic rising 8.7 percent.

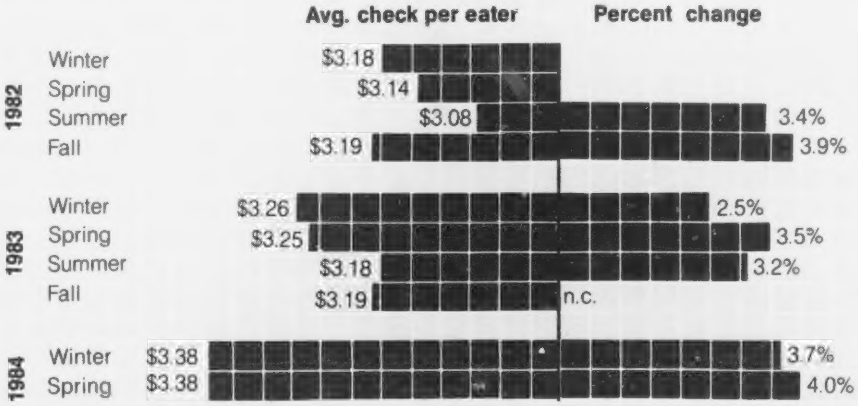
Breakfast highlights:

- Breakfast sales jumped 18.1 percent.
- The average check at breakfast reached $2.24—a slight 1.8 percent increase.
- Visit frequency was up 2.5 percent, which contributed to the strong traffic gain.

Lunch highlights:

- Lunch sales rose 13.4 percent.
- The average check reached $3.12—up 5.0 percent from a year earlier. The increase—slightly stronger than the 4.0 percent average posted by the industry—most likely helped boost sales.
- Households ate lunch out approximately five times

Average per person check*
(summer 1982-spring 1984)



* Based on average for two-week period.

Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST, NPD Research, Inc.

during the average two-week period—no increase from the prior year.

Dinner highlights:

- Dinner sales rose 11.6 percent.
- The average check increased 2.7 percent—somewhat below the industry average.
- Visit frequency was up a slight one percent.

Upscale restaurants post strongest gain . . .

Traffic was up in all three of the major industry segments—quick service, midscale and upscale. Upscale restaurants posted the strongest gain, followed by quick service and midscale establishments.

Upscale restaurant highlights:

- Consumers' continued confidence in the economy and in their own personal situations helped boost traffic 10.3 percent in the upscale segment.
- Promotions were used on 8.3 percent of the occasions, up from 6.9 percent a year earlier. That, combined with a very low 1.1 percent increase in the average check size, probably gave consumers a favorable view of the price/value of dining at an upscale restaurant and helped boost traffic.
- Sales jumped 11.4 percent, probably fueled by a strong 7.5 percent gain in the number of households dining out.
- Upscale ethnic restaurants showed the strongest jump in traffic—16.0 percent. The major increase was at upscale Oriental restaurants.
- Varied-menu establishments experienced a substantial 9.9 percent gain in traffic.
- Traffic rose 4.3 percent at upscale specialty restaurants, held back somewhat by a small decrease in traffic at upscale seafood outlets.

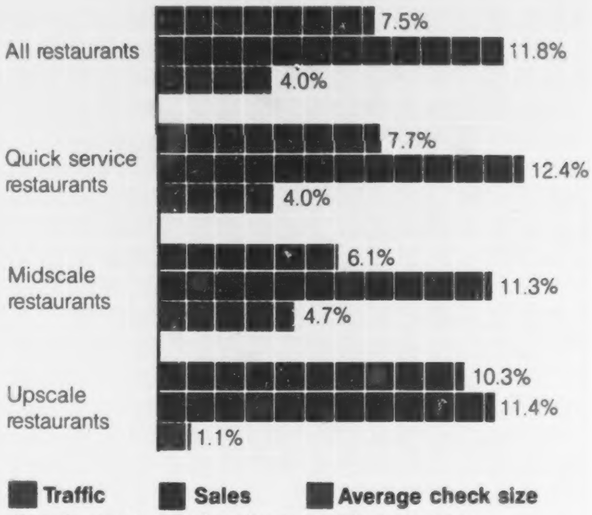
Quick service restaurant highlights:

- Traffic rose 7.7 percent at quick service restaurants, and sales increased 12.4 percent.
- The average check size reached $2.33—a 4.0 percent increase from a year earlier.
- Promotions were used on 14.0 percent of the occasions, only slightly below last year.
- Specialty quick service establishments experienced the strongest increase in traffic—14.0 percent. Pizza and chicken restaurants showed the largest increases.
- The ethnic and sandwich/varied menu categories posted moderate traffic gains—7.5 percent and 7.8 percent, respectively.
- Quick service snack establishments reported a 7.1 percent drop in traffic.

Midscale restaurant highlights:

- Midscale restaurants experienced a 6.1 percent traffic gain and an 11.3 percent jump in sales.

Spring quarter performance by restaurant segment



Note: Percent change is from the same quarter in prior year.

Source: *CREST Household Report*, CREST, NPD Research, Inc.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 non-family households, representing demographic patterns in the U.S., have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, college or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quick service, midscale or upscale restaurants).

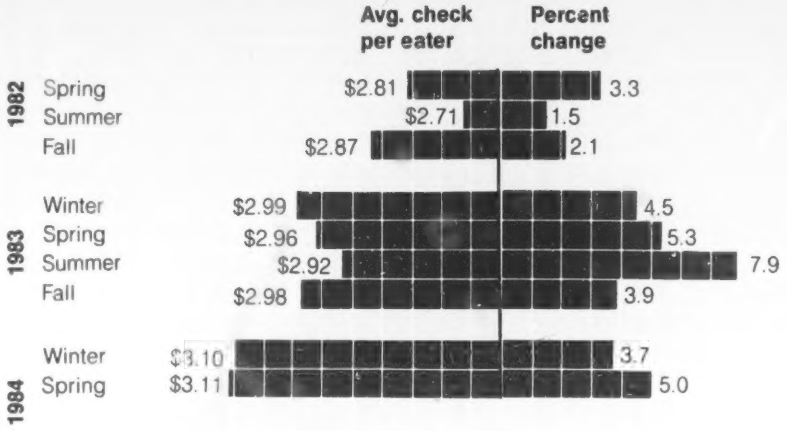
The CREST study can also provide valuable information concerning customer behavior, such as how much people spend, where they spend and when they spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact GDR/CREST Enterprises, one of the NPD Group of marketing and research companies, 9801 W. Higgins Rd., Rosemont, IL 60081.

- The average check size was $3.97—a 4.7 percent increase compared with 1983.
- Promotional usage dropped from 8.8 percent of the occasions to 8.4 percent.
- Family style and ethnic restaurants stole the show in the midscale category and reported traffic increases of 13.9 percent and 13.0 percent, respectively. Oriental restaurants, in particular, showed a large leap in traffic.
- The hotel/retail and speciality restaurant categories showed moderate traffic growth—5.8 percent and 6.0 percent.
- Cafeterias experienced a drop in traffic—8.0 percent.

—Cecelia Niepold

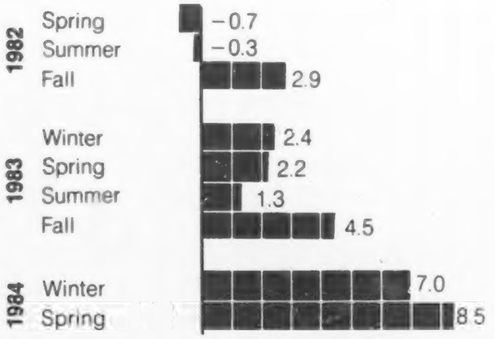
Average per person check[1]



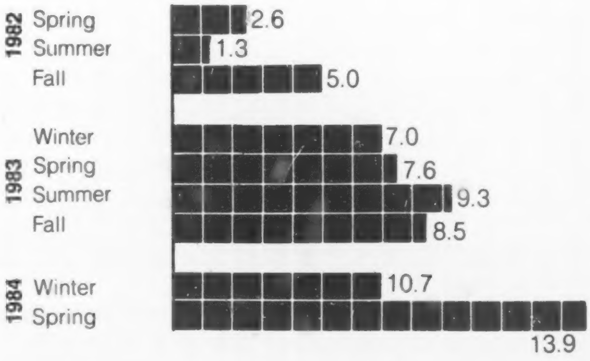
[1] Based on average two-week period.

CREST *Family Report*

Percent change in quarterly customer traffic



Percent change in quarterly CREST sales[2]



Note: Percent change is from the same quarter in prior year.
Source: *CREST Family Report*, CREST, NPD Research, Inc.

[2] Sales based on total U.S., average for two-week period each quarter.

CREST Family Report highlights*

The *Family Report* reported an 8.5 percent jump in traffic during the spring quarter. This marks the best quarterly performance in more than five years and continues the strong upward movement begun in the fall period. Sales also leaped, rising 13.9 percent during the March–April–May period. The average check size reached $3.11—up five percent from a year earlier.

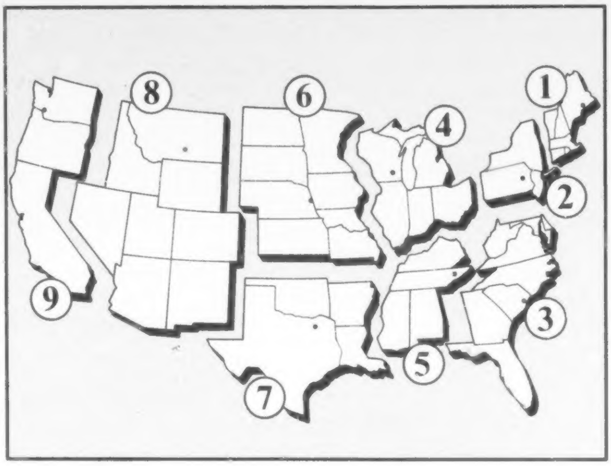
Readers may note that the 8.5 percent increase in traffic shown in the *Family Report* is somewhat above the 7.5 percent gain posted by the *Household Report*. This is most likely due to the influence of singles in the *Household Report*. Families probably cut back their dining out more than singles did during the recession and, consequently, the *Family Report* is now showing a stronger increase in traffic compared with a year earlier.

*** As a convenience to readers, this quarterly report will include customer traffic, sales and average check data from the *CREST Family Report*. The next CREST Report will only contain information from the new *Household Report*.**

HOW'S BUSINESS

by Cecelia Niepold

This month's interviews demonstrate that operators must find their niche and then keep customers interested—whether they operate a pizza establishment or a converted mansion.



① NORTHEAST

Location: Bar Harbor, ME
NRA member: Christopher Coston
Operation: West Street Cafe
Profile: Casual seafood restaurant
In business: 4 years
Meals served: Lunch, dinner
Seats: 100

"I've had an excellent season and am running ahead of last year," says ***Christopher Coston,*** owner of the West Street Cafe. He's enthusiastic about the rest of the year and thinks business in the entire state is up.

Tourism is the major industry in Bar Harbor, and the season generally runs from Memorial Day to Columbus Day. Coston concentrates on his local customers as well as on tourists and believes that combination helps his overall business. He reasons that if the locals like his restaurant, they'll recommend it to tourists.

② MIDDLE ATLANTIC

Location: Reading, PA
NRA member: Harold Leifer
Operation: Jimmie Kramer's The Peanut Bar
Profile: Family-owned restaurant and tavern
In business: 60 years
Seats: 145
Meals served: Lunch, dinner

According to ***Harold Leifer,*** president of Jimmie Kramer's The Peanut Bar, unemployment is low in Reading and business is generally good. Actively involved with downtown civic organizations, Leifer is very positive about the future of the center city and is considering an expansion program for his restaurant.

Not surprisingly, The Peanut Bar's trademark is peanuts. "We give away, on average, a ton of peanuts every four or five weeks. Since we started in 1933, we've given away enough peanuts to stretch from Bangor, Maine to Miami, Florida," Leifer says proudly.

Jimmie Kramer started offering peanuts to emphasize his good quality draft beer. What began as an attention-getting idea is now a major part of the establishment's overall personality. Customers are still encouraged to scatter the shells on the floor.

③ SOUTH ATLANTIC

Location: Pawleys Island, SC
NRA member: W. Louis Osteen
Operation: The Pawleys Island Inn
Profile: White tablecloth restaurant
In business: 5 years
Seats: 205
Meals served: Lunch, dinner

"Business has been super this year," says ***W. Louis Osteen,*** owner of The Pawleys Island Inn. "We're doing five times the volume since we bought the place five years ago," he says proudly. The stronger economy is one of the reasons his business is up. The inn is located in a resort area, and more people are traveling and spending money.

Osteen differentiates his restaurant from other establishments on the coast by offering fresh local and regional dishes, served with flair. One specialty is fresh, grilled, South Carolina squab served with crawfish dressing and giblet gravy.

④ EAST NORTH CENTRAL

Location: Wauwatosa, WI
NRA member: Robert Linscott
Operation: Gilles Frozen Custard
Profile: Establishment serving frozen custard and fast food
In business: 7 years
Seats: none, carryout only
Meals served: Lunch, dinner, snacks

"We're in an industrial area, and industry is still hurting," says ***Robert Linscott,*** owner of Gilles Frozen Custard. Even so, business has been very good for his establishment because Gilles has a unique spot in the marketplace. Although Gilles offers a variety of fast food items, it's the frozen custard that really sets the place apart.

Frozen custard is hard—not soft—ice cream with an egg in it. It's denser than regular ice cream (has less air in it). Although it is only available in two flavors—vanilla and chocolate, the toppings make for nearly endless combinations.

Linscott admits that if customers are not from the Milwaukee area, they think frozen custard is frozen pudding. But once sampled, the custard is not easily forgotten. Out-of-towners often write asking for names of area frozen custard dealers, but the custard seems to be a local Milwaukee specialty.

⑤ EAST SOUTH CENTRAL

Location: Knoxville, TN
NRA member: Russell Kuhlman
Operation: Stephano's Chicago Style Pizzeria
Profile: 2 pizza restaurants

In business: 7 years
Seats: Average 80
Meals served: Lunch, dinner

The economic climate in Knoxville "ain't great" says ***Russell Kuhlman,*** owner of Stephano's Chicago Style Pizzeria. "We didn't really have the recession because of the World's Fair, but since then, things have been pretty flat," he explains.

What's a Chicago-style pizzeria doing deep in the South? Quite simply, a demographic study showed Knoxville could use one. And, according to Kuhlman, Chicago-style pizza has become so popular he'd like to open several more units in the next year.

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WEST NORTH CENTRAL

Location: Omaha, NE
NRA member: Linda Herzog
Operation: The Baking Company
Profile: Wide-ranging operation including a restaurant, bakery, gourmet market, oyster bar, wine bar and catering
In business: 5 years
Meals served: Lunch, dinner
Seats: 100

The general business environment in Omaha is "OK," according to ***Linda Herzog,*** owner of The Baking Company. Since she started her business five years ago, however, she's seen a definite improvement in the economy. Herzog is optimistic about the future and is substantially expanding her establishment.

Herzog believes it's important to "invent and create" things. Although Omaha is still basically a meat-and-potatoes town, she focuses on lighter entrees, such as grilled fish with almond butter.

Initially, her establishment had a reputation as a ladies' tearoom, and Herzog is trying to change this by revamping the seating patterns to make more intimate areas and by adding different concepts. She feels that adding an oyster bar (a rarity in Nebraska) and a wine bar (there isn't one in Omaha) will expand her customer base.

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WEST SOUTH CENTRAL

Location: Dallas, TX
NRA member: Patrick Colombo
Operation: Mansion on Turtle Creek
Profile: Elegant restaurant and hotel located in a restored 1925 mansion
In business: 4 years
Seats: 142
Meals served: Breakfast, lunch, dinner, afternoon tea

"Business is tremendous!" says ***Patrick Colombo,*** food and beverage director at the Mansion on Turtle Creek. Volume at the restaurant is up about 10 percent over last year, and Colombo is very optimistic about the year ahead.

Business in the general Dallas area is "pretty good," but Colombo thinks the city may be somewhat overbuilt in anticipation of the Republican National Convention.

What's the secret behind the Mansion's success? "Guest recognition and making people feel at home," maintains Colombo. One way the Mansion accomplishes this is by offering house charge accounts. These special accounts make customers feel privileged and also encourage repeat patronage.

Thorough employee training is another way the restaurant ensures top service. At some training sessions, guests are brought in to speak to the staff about the service they received—both good and bad.

Employees are also well trained in specific areas, such as wine salesmanship. Every front of the house employee is required to take a nine-week wine course. Wine sales have jumped since the program began, and the courses may be opened to the public.

8

MOUNTAIN

Location: Billings, MT
NRA member: Mike Sayles
Operation: Yellowstone Kelly's
Profile: Multi-faceted operation including full-service catering, a deli, a bakery and a restaurant
In business: 3 years
Seats: 96
Meals served: Lunch, but will cater any meal

"The general business climate here is good," says ***Mike Sayles,*** co-owner of Yellowstone Kelly's. Billings weathered the recession well due to a concentration of somewhat recession-proof businesses in the area—primarily energy-related industries and agriculture.

Sayles is optimistic about the future—an optimism that is encouraged by a large office complex that is being built right next to his establishment.

Yellowstone Kelly's serves customers in both cities and canyons and seems to have adapted well to its varied market. For instance, because they serve many customers in remote areas, they have their own "kitchen on wheels"—a completely self-contained 50-foot mobile trailer kitchen. One of the recent remote jobs was serving 700 people at a mine site.

A popular service with "city customers," especially executives, are box lunches that include croissant sandwiches, fruit, chips and dessert.

9

PACIFIC

Location: Vancouver, WA
NRA member: George Propstra
Operation: The Holland Incorporated
Profile: 28 fast food units called Burgerville U.S.A.; 4 family style units called Holland Restaurants
In business: 45 years
Seats: 150-200 (Holland Restaurants), 70 (Burgerville U.S.A.)
Meals served: Breakfast, lunch, dinner

"Business is excellent," says ***George Propstra,*** chairman of the board of The Holland Incorporated. He feels that the company's success is due to a dedication to quality, cleanliness, giving value for the dollar and promotions.

Although statistics suggest the northwest is experiencing slow growth, Propstra believes the economy in the area is "pretty good." He's optimistic about the future and is building three or four units a year.

Propstra opened his first fast food unit 20 years ago because he felt times might get tough, and it was important to be able to serve people faster and less expensively. Apparently his foresight has paid off because his family restaurants are currently showing slower growth than his fast food outlets. "People are looking for value more than ever before," he explains.

FOOD FOR THOUGHT

Baseball food Japanese style

The best-selling food items in Japan's baseball parks would seem a little unusual to the typical American sports enthusiast. Instead of hotdogs, popcorn and peanuts, Japanese ballpark attendees devour barbecued squid, grilled corn on the cob, curried rice and tempura dishes. Or, if a complete meal sounds better, a box lunch of raw fish, seafood and steamed rice can be purchased at the food concessions.

—*USA Today*

A 40-ruby cake

What began as a thank you to loyal customers has now become a yearly promotional tradition. Jeweler Matthew Schwartz, owner of Bryan Jewelers in Milford, CT, celebrated his third year in business by offering customers a piece of the store's birthday cake.

This heart-shaped Italian creme cake—measuring four feet high—appeared normal, but it contained 40 rubies—more than $1,000 worth. More than 1,280 customers showed up to sample this treat. (The rubies were placed in plastic containers and added to the cake before it was frosted.)

"The first year I decided to use diamonds, the second year sapphires," explains Schwartz. "This idea is a tremendous hit with our customers."

Next year—emeralds.

—*USA Today*

Giveaways cut back on walkaways

The foodservice halls at the University of New Hampshire in Durham, NH, used to have a problem with customer theft. For years, the dining halls were plagued with student stealing of trays, mugs, china and silverware for use in their rooms between meals. This year, rather than sit back and wait for the expensive borrowing to begin, Director of University Foodservice Ingeborg Lock came up with a plan.

The dining service presented all 5,000 students with their own university mug and plastic silverware when they arrived in the fall. Although the mugs cost the university $4,000, theft plummeted. During the whole year, for all 1.2 million meals served, only 2,700 pieces of silverware were taken, 1,168 plastic mugs and 228 china mugs. Lock is so pleased with the results that he will follow the plan again next year.

—*NRA NEWS interview*

'Human beings only need apply'

When a restaurant gets to be so popular that outside crowds, waiting to get in, become impatient and sometimes unruly, it may be time to hire security guards. That's what the Hard Rock Cafe of New York City does to keep its waiting customers, often as many as 15,000 in one week, in tow. These guards act as peacekeepers, information givers and VIP caretakers. But they are not bullys or superstars.

What does the Hard Rock Cafe look for in its security personnel? "Someone with personality, intelligence and a little brute strength. A Michael Douglas type," says Manager Joyce Faiola, or, as the restaurant's ad put it—"human beings only need apply."

One added criterion—they have to be honest. "As honest as Boy Scouts—no alcohol and no bribes," says Faiola. When the restaurant first opened, bribes of $100 were offered to cut in line.

—*New York Times*

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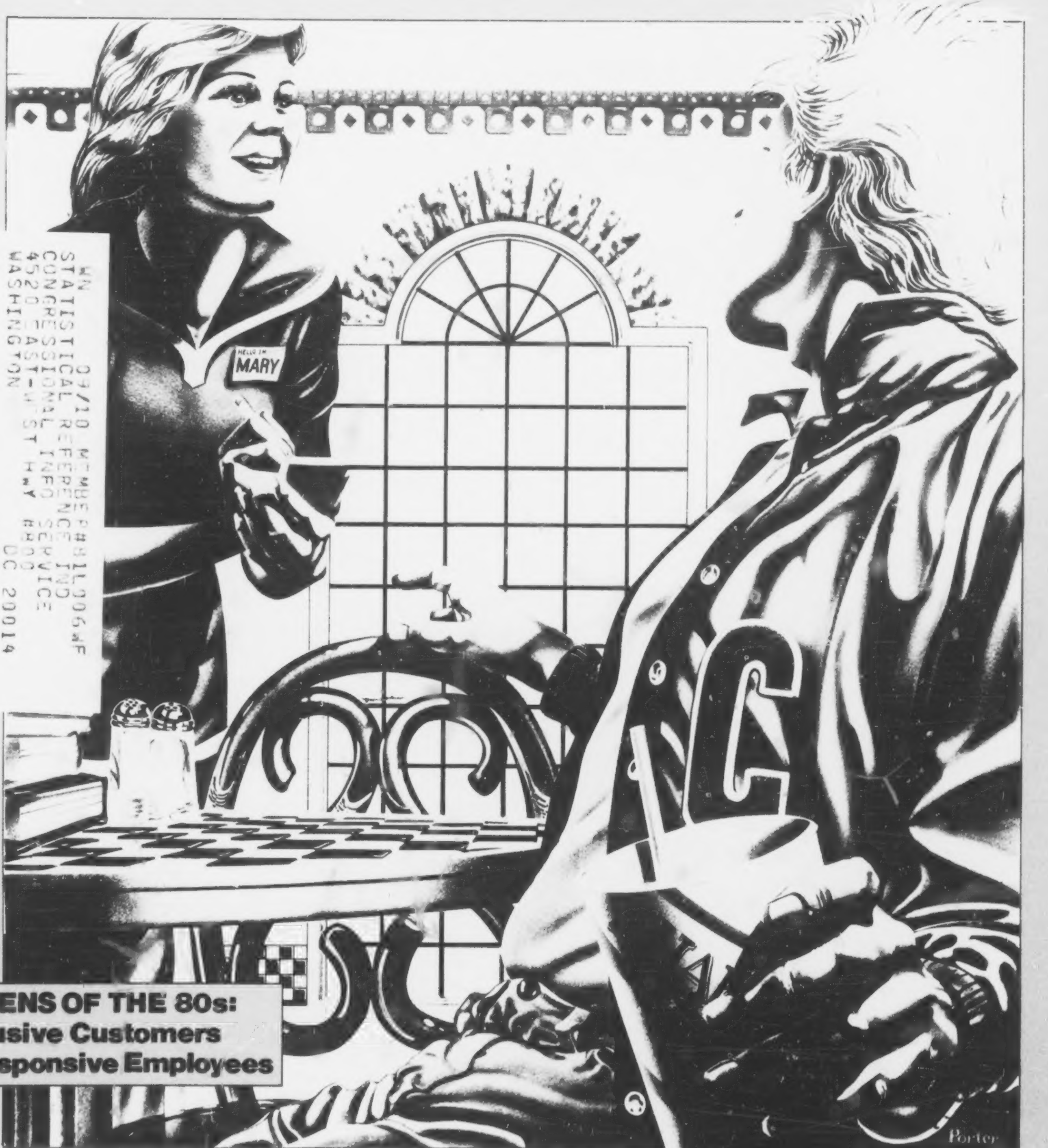

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TEENS OF THE 80s: Elusive Customers Responsive Employees

NRA MEETINGS

Seminars

American Regional Cookery

10/24	Hyde Park, NY

Simplified Baking Workshop

10/23	Albany, NY
12/5	Las Vegas, NV

Off–Premise Catering

10/8–9	Albuquerque, NM
11/12–13	New Orleans, LA
11/26–27	Los Angeles, CA

Computers in Foodservice: A Primer

10/15	Washington, DC

Computers in Foodservice: Advanced Technologies/Now That I Have One . . .

10/16	Washington, DC

Perfecting Your Culinary Skills

10/16	Orlando, FL
10/18	Miami, FL
11/7	Harrisburg, PA
11/15	Madison, WI
12/4	Las Vegas, NV

Dining Room Management

10/25	Tucson, AZ
11/5	Charleston, WV
11/8	Baltimore, MD
11/14	Boston, MA
11/29	Concord, NH

Food Cost Management

10/2	Wilmington, DE
10/4	Hyannis, MA
10/11	Phoenix, AZ
10/22	Shreveport, LA
11/26	Nashville, TN
11/29	Seattle, WA

Kitchen Management

10/2	Appleton, WI
10/11	Williamsburg, VA
10/15	Louisville, KY
11/13	Savannah, GA
12/3	Jacksonville, FL

Principles of Labor Cost Management

10/15	Atlanta, GA
11/5	Los Angeles, CA

Advanced Labor Cost Management

10/16	Atlanta, GA
11/6	Los Angeles, CA

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

10/15–16	Minneapolis, MN

Planning & Implementing Restaurant Marketing Strategy

10/3–4	Seattle, WA
11/13–14	Detroit, MI
12/4–5	Las Vegas, NV

Menu Development

11/27	Charleston, SC
12/5	Las Vegas, NV

Creative Merchandising Techniques

10/9	Washington, DC
10/10	Williamsburg, VA
10/27	Wichita, KS
11/12	Philadelphia, PA

Opening a Restaurant: Before You Start Cooking . . .

11/13	Wilmington, DE
11/26	Orlando, FL
11/28	New Orleans, LA

Operational Analysis

11/7–8	San Diego, CA
11/12–13	Lexington, KY

The Pantry: Prep for Profit

10/30	Des Moines, IA
11/1	Chicago, IL
12/4	Houston, TX

Foodservice Productivity

10/17	Boston, MA
11/26	Cincinnati, OH

Soups and Sauces

11/12	Washington, DC
11/14	Chicago, IL

Basic Supervision in Foodservice

11/13	Princeton, NJ
12/4	Las Vegas, NV

Tools for Training

10/1	Portland, OR
10/22	King of Prussia, PA
10/24	Lansing, MI
11/12	Raleigh, NC
11/27	Burlington, VT

Hospitality Workshops:

10/29–30	Full Service Denver, CO
10/31–11/1	Fast Food Denver, CO
11/7–8	Cafeteria Los Angeles, CA

Conferences:

9/29–10/3	**Ninth Annual California Wine Workshop** Sonoma, CA
10/28–31	**National Conference on Off–Premise Catering** Washington, DC
1/27–30/85	**National Management Conference for Independent Operators** New Orleans, LA

In-house programs are available upon request

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Washington, DC 20001
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STUDY GROUP MEETINGS

Market Research

9/19–21	Portland, OR

Marketing Executives

10/14–17	Chicago, IL

EDP

10/16–19	Toronto, Canada

Purchasing Managers

10/17–19	Orlando, FL

Quality Assurance

October	San Antonio, TX

MAECO

November	Denver, CO

Safety Officers

January	Miami, FL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

NRA NEWS
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Robert A. Palmer
Karen Sherwood
Shannon Tuel
Editorial Typists
Valerie Pines
Riley Stern

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

Drunk driving seminar program

I am pleased to report to you that NRA's Alcohol Awareness Seminar will soon be offered all over the country. This train-the-trainer workshop is designed for owner/operators and managers, who then train servers. It covers topics such as the effects of alcohol, ways of preventing intoxication, recognition of the various stages of inebriation and responsible alcoholic beverage promotion.

Materials for this program—including a trainer's manual, a server's manual, and a videocassette, with segments on server liability, the stages of inebriation and positive bar promotion—are in the hands of each state restaurant association. You should be hearing soon when and where this three-hour program will be offered in your state.

NRA has met its pledge to make such a program available in every region of the country. Now it's up to foodservice operators who sell alcoholic beverages to participate in this or a similar seminar. Properly trained personnel and prudent service practices are the best defense against unwarranted legislation and third-party liability suits.

Public service announcement

NRA is also preparing a public service announcement (PSA) for distribution on national TV and radio. In this PSA, a bartender tells consumers, "Whether you're drinking in a restaurant, at home or at a friend's house, know your limit." By developing the "know your limit" theme, the speaker tells our customers that we are concerned about their safety and links moderate drinking with safe driving.

This PSA will be released shortly. You can reinforce its message by displaying "know your limit" table tents and charts in your establishment. They are available through NRA's publications department.

Congress is contacted

This month the association launches a new grassroots contact program—the NRA Executive Forum. Thirty industry leaders will gather in Washington to meet and speak with Sen. Howard Baker of Tennessee, Sen. Ernest Hollings of South Carolina and executive branch officials. Forum participants will hear from and exchange ideas and viewpoints with these decision-makers and with their own representatives on Capitol Hill.

The September Executive Forum is the first program of its kind and will be repeated periodically. Participants are drawn from elected state restaurant association officers and CEO's of well-known foodservice companies. I am excited about this program. It will allow NRA to step up the dialogue between the industry and key political figures.

Congressional reception

With the same goal in mind, NRA is sponsoring a special reception in the Congressional Caucus Room in mid September. This Second Annual "Chef d'Oeuvre" reception features a selection of specialty items prepared by 12 of Washington's finest restaurants. The guests are your congressmen and senators, and the hosts and hostesses are the NRA Board members. This elegant reception provides another opportunity for us to remind our legislators that we are an integral and essential component of the economic and social fabric of the nation.

Each congressman and senator received his invitation attached to a chef's apron inscribed with the words, "It takes eight million foodservice employees *and me* to feed America." That helped get the point across.

Members gather to learn

Additional significant events are on the NRA calendar. The Ninth Annual California Wine Workshop will be held in Sonoma, California, on September 29 through October 3. This exciting educational program is extremely popular and is one of several educational programs undertaken by NRA every day of the year.

The National Conference on Off Premise Catering is scheduled for late October in Washington, DC. This is a new symposium which will bring together experts on catering, one of the fastest growing segments in our industry.

NRA communicates

In the last few weeks, every NRA member company received several important mailings including new publications, information kits and promotional materials. These materials are:

Help Prevent Drunk Driving: An Information Package

Nutrition and Foodservice—the first in a new series of *Current Issues Reports*

Grandparents Day promotional material and

Foodservice Industry Pocket Factbook—included in the August issue of ***NRA News***.

You will receive shortly this year's *Catalog of NRA Publications*—a listing of the books and brochures the association makes available to help you make the decisions which put your operation in the forefront of business activity.

You will also receive shortly the *1984–85 NRA Membership Directory*. NRA continues to be the leading source of information in the foodservice industry.

During the past month, 115 new members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf.

Sincerely,

Harris

Harris O. Machus
President and Chairman of the Board

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Teenagers, the focus of this month's issue, are an important segment of the foodservice market. Not only do they command a sizeable pool of discretionary dollars but they also are a significant part of our industry's labor force.

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Cover illustration: John Porter

SHORT ORDERS

NRA to form new study group

The development of an independent/family-owned restaurant operators study group will be discussed at an organizational meeting on January 26–27, 1985, at the Meridien Hotel, in New Orleans, LA. The meeting is conveniently scheduled just before NRA's National Management Conference for Independent Operators (previously NRA Tableservice Conference) January 27–30, also in New Orleans.

Topics will include, estate planning, accounting systems, computer equipment, employee benefit programs, financing and the perpetuation of the family business.

The study group series is an ongoing educational forum designed for individuals with similar responsibilities. The groups meet once or twice each year to share experiences and ideas pertinent to their operations.

This will be the first study group formed by NRA specifically designed to address the concerns of the family-owned restaurant. The group would like to attract those operators with annual sales volume above $5 million.

To participate, contact Philip Kralovec at NRA's Chicago office, (312) 853-2525.

Your vote does count

With major registration drives now under way by both the Democratic and Republican Parties, voter turnout this year may reach new heights. But it won't happen unless you, your managers and your employees register to vote and then take the time to go to the polls on Nov. 6.

The stakes this year are high: the presidency, vice presidency, 33 Senate and 435 House seats as well as thousands of state and local offices.

The winners of all these races will make important decisions that will have lasting effects on your community, your business and the nation.

Your vote does count, as a number of close races in 1982 demonstrate.

- In Texas, Democratic Rep. Tom Vandrigriff won by just 344 votes. That's 1.5 votes per precinct. If one or two voters had not gone to the polls in each precinct, the outcome could have been different.
- In Pennsylvania, Republican Rep. Thomas J. Ridge won by 729 votes—2.1 votes per precinct.
- In the Senate, one changed vote of every 1,250 cast would have given the Democratic Party control of the Senate. The Republican Party maintained its eight-seat majority by only 40,000 votes—of 50 million votes cast for 33 seats.

It's not difficult to register. Laws vary from state to state, but generally registration only involves filling out a card at your county clerk's office, city hall or library.

The Copley Plaza Hotel begins apprenticeship program

The Copley Plaza Hotel, Boston, MA, begins a two-year food preparation apprenticeship program on September 10, 1984, with funds provided by Charles L. Banino Foundation.

The program will train participants in the many stations of food preparation, such as preparation kitchen, butcher/fish shop, garde manger, stewardship, pastry, banquets and food and beverage storeroom. Instruction will be given by a trained chef in each of the assigned areas to ensure that participants gain a thorough understanding of all stations.

All apprentices who complete the program will receive a certificate from the Charles L. Banino Foundation and The Copley Plaza Hotel. For more information, contact Rita Rains at the Charles L. Banino Foundation, 35 Hyde Street, Weymouth, MA 02188; (617)335-1583.

NRA offers catastrophe major medical plan

A special enrollment period is now in progress for the NRA $1,000,000 Catastrophe Major Medical Insurance Plan. During this time, enrollment is open to all NRA members and spouses regardless of age. Unmarried dependent children from birth to age 25 also qualify. Acceptance is guaranteed. Enrollment closes November 1, 1984.

The Catastrophe Major Medical Insurance Plan provides insurance protection designed to take over after basic health insurance benefits are exhausted. Skyrocketing hospital and nursing home costs, escalating doctors' fees, expensive medicines, specialized surgical procedures and new equipment can push expenses far over the limit basic health insurance was designed to handle. This is where the Catastrophe Major Medical Insurance Plan comes in.

Since this plan is supplemental coverage for serious, long-term illnesses and accidents, it includes a $25,000 deductible. All eligible expenses for an illness or accident are applied toward the deductible whether paid out-of-pocket or by other insurance.

Once the deductible has been reached, the Catastrophe Major Medical Plan pays 100 percent of all eligible hospital-medical-surgical-convalescent expenses up to $1,000,000 for up to 10 full years. A period of two years is given to reach the deductible amount.

Should more than one insured family member be injured in the same accident or contract the same disease within the 30 days, only one deductible will apply for those involved. Yet, each insured is eligible for full benefits.

For further information on the plan, contact NRA's insurance administrator Albert H. Wohlers & Co., NRA Group Insurance Plans, 1500 Higgins Rd., Park Ridge, IL 60068.

WASHINGTON REPORT

Drinking age law should not affect underage foodservice workers

Foodservice employees below the legal drinking age can rest easy. According to Senate sponsors of the new federal law that seeks to establish a uniform drinking age of 21, those under the drinking age can continue to work in establishments that sell alcoholic beverages.

"I want to make it clear that this is not an attempt to require any state to set minimum age limits for restaurant or tavern employees who take alcoholic beverage orders, check identification, or mix, serve or receive payment for alcoholic drinks," says Sen. John Danforth (R-MO), a sponsor of the new law that was signed by the President in July.

"Congress recognizes that the restaurant industry alone provides jobs to hundreds of thousands, perhaps over a million, young people under the age of 21," said Sen. Frank Lautenberg (D-NJ), another sponsor of the bill.

Many state laws allow 18, 19 or 20-year-olds to serve liquor, and they allow those under 18 to work in the establishment provided they do not handle alcohol.

To protect these jobs, NRA is asking restaurateurs affected by the law to urge their state legislatures to permit employees below the drinking age to continue working in licensed establishments.

Twenty-seven states and the District of Columbia will be affected by the new law. They will have two years to enact a 21-year drinking age. States that fail to comply will lose five percent of their federal highway construction funding in the third year and 10 percent in the fourth year.

No compromise in sight for immigration bill

The NRA-opposed immigration reform bill, which passed both the House and Senate, may never be enacted.

A House-Senate compromise has not been reached and may not be in this election year. If that is the case, the bill will die at the end of this session.

The bill passed the House on June 20 by a 216 to 211 vote, a slim margin that has already deteriorated as the November election nears and opponents exert pressure on legislators.

Businesses, unions, minorities and most Democrats oppose the bill—and presidential candidate Walter Mondale pledged during the Democratic National Convention that he would work against the bill.

Opposition centers around three controversial areas:

1. a "guest worker" provision that each year would allow 500,000 agriculture workers to enter the country to harvest crops;
2. penalties against employers who "knowingly" hire illegals; and
3. automatic amnesty for aliens who have entered the U.S. prior to a fixed date (1982 in the House bill; 1980 in the Senate bill) and deportation for those who have entered since.

Proponents of the bill may try to sidestep a conference committee and take the House bill directly to the Senate for approval. If the Senate were to accept the House bill without changes, it could go to the President for his signature.

But Senate leaders and the White House say they won't accept the House version. And House leaders say too many congressmen oppose the bill now--enough to kill it the second time around.

NRA is part of a coalition working to defeat the bill.

However, NRA had decided earlier this year not to actively oppose the bill as long as it contained an amendment making new employer paperwork requirements optional, but that amendment was stripped from the bill during House consideration in June.

And an antibusiness amendment has been added to the employer sanctions provision that NRA opposes.

This amendment, offered by U.S. Rep. Barney Frank (D-MA), is designed to protect workers from discrimination but would subject employers to multiple suits based on the same claims of misconduct as well as impose civil fines of up to $4,000 for each individual against whom an employer discriminated.

Analysis

Tax reform is inevitable

More federal revenue and simpler tax laws are the goals of several tax reform proposals now on Capitol Hill.

Major revisions in the tax code seem certain in the next few years. President Reagan has asked the Treasury Department for recommendations to simplify the code. The House Democratic Caucus supports a modified "flat" tax. Researchers and academicians are calling for tax reform, and at least eight fundamental tax reform proposals have been introduced in the 98th Congress.

This presidential election may set the tone for reform. Walter Mondale's bold proclamation in July that he would raise taxes to cut the federal deficit has fostered continuing debate on tax policy as has President Reagan's response to Mondale's tax initiatives.

No matter what the outcome of the election, tax experts say tax reform will be necessary. The current tax system can no longer meet the revenue needs of the federal government. It suffers from structural defects that discourage savings and investment, and it is perceived as being too complex and skewed in favor of the rich.

Major alternatives to the current system generally fall into three categories: a comprehensive income (flat) tax, a consumption tax or a value-added tax.

- **Implementing a value-added tax (VAT)** would be the simplest way to raise new revenue. It wouldn't require restructuring the current system, but business would be faced with two complex systems instead of one.

VAT is essentially a sales tax collected at all levels of production based on value added at each level. The tax is ultimately passed onto the consumer in higher prices.

- **A flat tax,** in its purest form, would tax *all* income from *all* sources, whether saved, invested or consumed. It would broaden the tax base by eliminating tax preferences, and it would result in lower tax rates.

A flat tax would allow deductions only for the cost of obtaining income, and that would make the system very simple and equitable.

A variety of modifications to the basic flat tax premise have been proposed in Congress.

The Bradley-Gephardt bill is probably the most well known flat tax proposal. For business, it would establish a single 30 percent tax rate with simpler depreciation and no business investment or research and development credits.

For individuals, there would be no more than three tax brackets: about 30 percent for top earners, 26 percent for middle-income earners and 14 percent at the lower end of the earning scale. There would be only a few deductions, such as those for charitable contributions or home mortgage interest payments. There would be no income averaging, dividend and interest deductions or rate indexing.

Another proposal, the Kemp-Kasten "fair and simple tax" (FAST), would have a flat 25 percent rate for all individuals. There would be few deductions, but there would be generous personal exemptions and income exclusions.

FAST would lower the corporate tax rate from 46 to 30 percent. Small businesses would pay a reduced 15 percent rate on the first $50,000 of income.

- **A consumption tax,** like a flat tax, would broaden the tax base in exchange for lower rates. Taxpayers would report all income received from all sources. Deductions would be allowed for amounts saved, invested in income-producing assets or used to pay debts. The amount remaining, or the "consumed" amount, would then be taxed.

This system would increase incentives for savings and investment, but it could adversely affect those with low or fixed incomes, who tend to spend a high percentage of their incomes.

Congress is likely to consider one of these alternatives next year but it may opt for a less complex solution such as a temporary surtax.

Peterson leads NRA's Government Relations Committee

Jim L. Peterson, president and chief executive officer of Whataburger, Inc., Corpus Christi, TX, was named chairman of NRA's Government Relations Committee during the NRA Show board meeting.

Peterson heads NRA's largest committee, which is composed of all NRA Board members and which sets policy for the association on government relations issues.

Peterson most recently served as chairman of NRA's State Communications and Political Education Committee, where he was instrumental in developing NRA's new alcohol awareness training program.

Discussing his new role, Peterson said he will seek greater input and participation by NRA members on government affairs issues, place more emphasis on strategy development, both long-range and short-term and foster improved communications with state associations and allied groups.

Peterson regards communication with the membership as the most important aspect of a good government relations program.

"It's a two-way street," he said. "If our members don't tell us what their problems are, we can't represent them effectively in Washington. At the same time, if we don't properly communicate the importance of an issue to them, we can't expect them to be of much help to us."

To keep the lines of communication open, Peterson plans quarterly meetings of foodservice executives to discuss issues affecting the industry.

For the future, Peterson said the major issues confronting the industry will include

- wages and employment
- alcohol and
- product and menu labeling and burdensome taxation.

He noted that NRA has formed task forces to address these matters.

Exempt manager bill may narrow requirements

A bill (H.R. 5949) introduced by U.S. Rep. Denny Smith (R-OR) would eliminate one of six criteria used by the Department of Labor (DOL) to determine whether an employee is a bona fide manager and can be exempted from minimum wage overtime requirements.

The bill would drop the requirement that a manager must regularly direct the work of at least two other employees for foodservice, hotel/motel and apartment building managers.

Other DOL criteria for supervisory personnel unaffected by the bill are that

- their primary duty must be management
- they have authority to hire and fire or their recommendations carry particular weight
- they regularly exercise discretionary powers in their work
- their nonmanagerial duties take up no more than 40 percent of their time and
- they are paid at least $155 a week in salary.

The condition that is most difficult to meet in foodservice is the one relating to nonmanagerial duties, and NRA may ask the congressman to consider changes in this area.

—Jay Morris

THE LAW

Legal aspects of employing teenagers

The foodservice industry is a major employer of teenagers. But special restrictions apply to some teenage employment, and foodservice operators should be aware of possible problems.

Child labor laws . . .

Generally, the minimum age for employment under federal and most state laws is 14. Employees 14 through 17-years-old are subject to some restrictions concerning hours and type of employment. Employees 18 and over are not subject to child labor laws, but state liquor laws may prevent or limit employment in licensed establishments for some in this group.

Employees 14 and 15-years-old may *not* do any of the following jobs:

- cooking (except at soda fountains, lunch counters, snack bars or cafeteria serving counters) and baking
- occupations involving operating, setting up, adjusting, cleaning, oiling or repairing power-driven food slicers and grinders, food choppers and cutters, and bakery-type mixers
- work in freezers and meat coolers or work in preparation of meats for sale (except wrapping, sealing, labeling, weighing, pricing and stocking when performed in other areas)
- other types of work involving machinery repair and maintenance, loading and unloading trucks and conveyors, outside window washing or any use of ladders or scaffolds, working in warehouses or boiler rooms.

In addition, employees 14 through 17-years-old are barred from operating or repairing circular saws, band saws, guillotine shears and equipment deemed by the U.S. Department of Labor (DOL) to be "hazardous." Most motorized mixing and cutting equipment falls into this category, as do pizza dough rollers without protective devices.

Working hours for 14 and 15-year-olds are limited by federal law to three hours per day, 18 hours per week when school is in session and eight hours per day, 40 hours per week at other times. This age group may only work between the hours of 7 a.m. and 7 p.m. on school days; as late as 9:00 p.m. at other times. No federal working hour restrictions apply to those 16 and over, although it's always advisable to check with your state restaurant association or enforcement agency for any state child labor laws which may be more restrictive than the federal law. "NRA's Federal and State Child-Labor Laws *(1984 Update)*" is available for $1.25 per copy from NRA Publications, 311 First St., N.W., Washington, DC 20001.

Full-time students . . .

The federal minimum wage law permits the employment of full-time students (of any age though most of these are teenagers) at 85 percent of the minimum wage with some significant limitations:

- Full-time students can be employed at the reduced rate for no more than 20 hours a week except during school vacation when they can be employed 40 hours a week at the special rate. For all hours over the limits, they must be paid at least the minimum wage.
- Any company can employ up to six full-time students at the special rate by filing an application with the wage and hour division of the closest DOL regional office. But you need not wait for approval from the DOL; instead, you can start employing your six below-minimum-wage students as soon as your application has been mailed. However, if you are asking for approval to hire more than six students, you must await DOL approval before employment at reduced rates can begin.
- The number of students an employer can hire will be expressed by a figure representing the number of student hours of employment proportional to the total hours of employment in the establishment where the student will work.

Targeted jobs tax credit . . .

Restrictions and limitations notwithstanding, the federal government does occasionally *encourage* you to hire teenagers. The targeted jobs tax credit program, now extended through 1985 and administered by state employment services, is an example. By hiring young people 18 to 24-years-old from economically disadvantaged families, an employer becomes eligible for a tax credit of 50 percent of the first $6,000 paid in wages during the worker's first year of employment and 25 percent during the second year of employment. The credit is also available for hiring economically disadvantaged youth 16 through 19-years-old age who are participating in cooperative education programs.

Also, a special summer youth credit is available. Employers who hire economically disadvantaged youth for summer employment may take an 85-percent credit on the first $3,000 of wages paid during any 90-day period between May 1 and September 15. These employees must be 16 or 17-years-old on their starting dates and must not have previously worked for the employer. If a summer employee also qualifies as a member of a standard target group and you continue to employ him/her beyond 90 days or past September 15, you may take the regular 50 percent credit for this period, but the employee's total summer wages will be counted towards the $6,000 first-year limitation.

—Robert Palmer

THE BOARD ROOM

NRA director honored with achievement award

NRA Director Thomas S. Monaghan (Domino's Pizza, Inc., Ann Arbor, MI) was one of 40 honorees awarded the American Academy of Achievement's prestigious Golden Plate Award at its 23rd Annual Salute to Excellence Weekend in Minneapolis, MN, July 5-7.

Sharing the spotlight with Monaghan were 40 other award winners, including former President Jimmy Carter, Pittsburgh Steeler Franco Harris, actor John Travolta and seven recipients of the Nobel Prize.

Monaghan was singled out for his rags to riches rise in the foodservice industry. Raised in an orphanage and foster homes, Monaghan parlayed a $500 investment in an Ypsilanti, MI, pizza parlor into a chain that now boasts over 1,000 units and $400 million in annual sales.

NRA Vice President Ted Balestreri (Sardine Factory, Inc., Monterey, CA), a past Golden Plate recipient, presented Monaghan with the award at a black-tie banquet.

The academy's Salute to Excellence Weekend recognizes achievers from all walks of life for their contributions as role models to the youth of America. Honor students from high schools and technical schools across the nation are traditionally invited to the annual event, which features speeches by celebrated leaders who recount the challenges and successes of their careers.

Students are sponsored by private individuals, industry leaders or corporations and receive all-expense-paid trips to the weekend event. While hundreds of pupils participate yearly, this is only the second symposium attended by a culinary student. NRA Vice President Ted Balestreri, a member of the academy's executive committee, sponsored Albert Celentano, a student at the Culinary Institute of America.

NRA Vice President Ted Balestreri (R), presents the American Academy of Achievement gold plate award to NRA Director Thomas S. Monaghan at the 23rd Annual Salute to Excellence Weekend in Minneapolis, MN.

Vidricksen casts vote at Republican National Convention

NRA Director Ben E. Vidricksen (Vidricksen's Food Service, Salina, KS) was a delegate at the Republican National Convention last month in Dallas, TX.

Vidricksen, state senator for the 24th senatorial district of Kansas for the past five years, was one of three delegates representing the 1st congressional District of Kansas at the Dallas convention.

Past president of the Kansas Restaurant Association, Vidricksen has been a member of the NRA board since 1977.

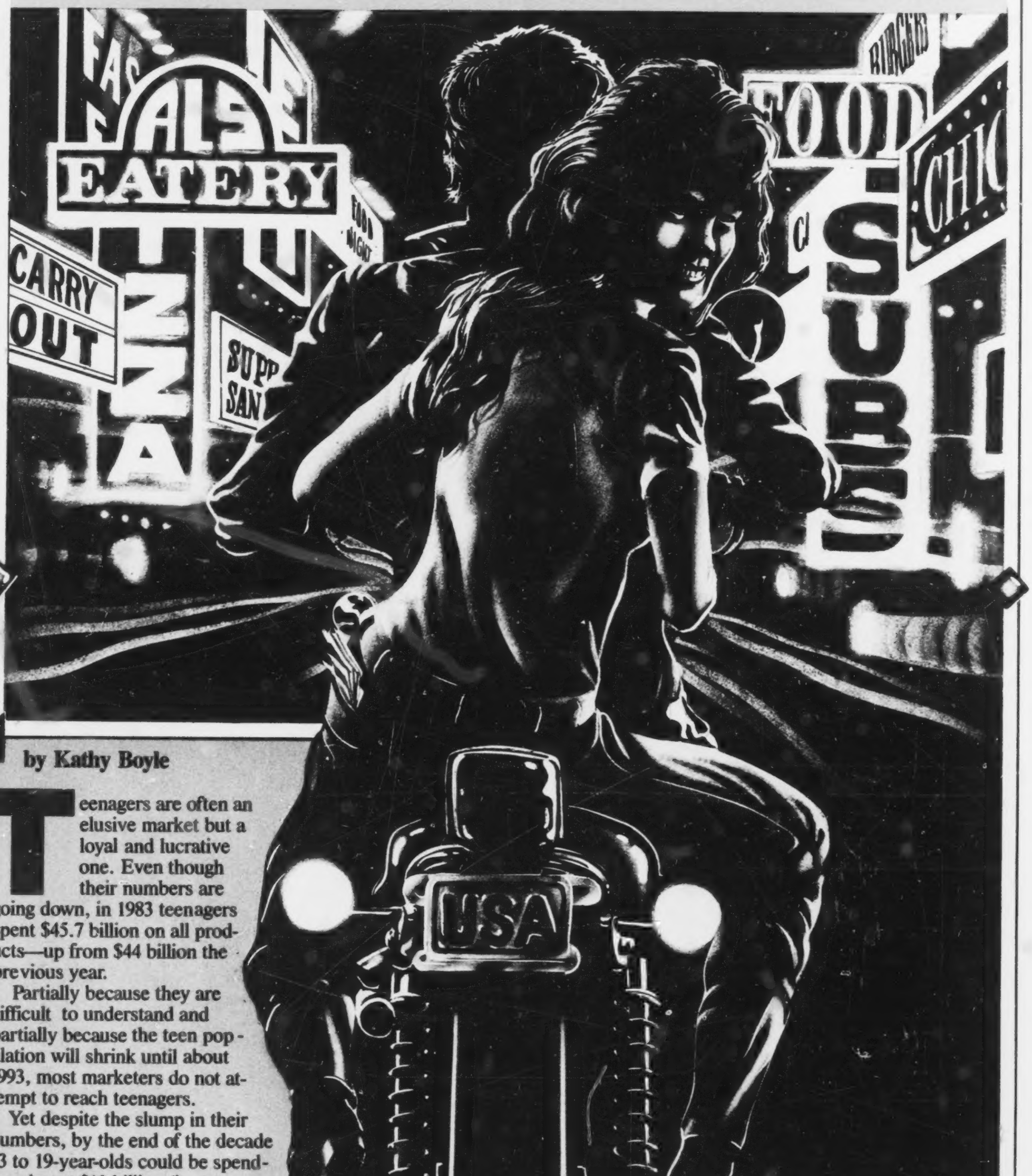
NRA board meets in nation's capital

For the second year in a row, the NRA board of directors will hold its fall board meeting in the nation's capital.

A high point of the four day meeting later this month will be the board's Second Annual Congressional Reception for the members of the 98th Congress. This gala event, featuring the best cuisine of 12 of Washington's premiere restaurants, will be held in the Caucus Room of the Cannon House Office Building from 5 p.m. to 7 p.m. on Tuesday, September 18.

—Dorothy Dee

THE ELUSIVE TEENAGE MARKET



by Kathy Boyle

Teenagers are often an elusive market but a loyal and lucrative one. Even though their numbers are going down, in 1983 teenagers spent $45.7 billion on all products—up from $44 billion the previous year.

Partially because they are difficult to understand and partially because the teen population will shrink until about 1993, most marketers do not attempt to reach teenagers.

Yet despite the slump in their numbers, by the end of the decade 13 to 19-year-olds could be spending almost $13 billion (in current dollars) on food and snacks–more than double the $5.6 billion teens spent on these items in 1980.

Aside from the obvious sales benefits of tapping into this market, teenagers can also become steady customers in their adult years.

"If you can reach them, you have their loyalty for years and years, not just exclusively as teens. Today those teens from the 60s are coming in and bringing their children," says John Weir, director of public relations for Burger King, Miami, FL.

That is why, he adds, "Burger King has always encouraged its franchisees and managers to work with local scouting groups, little league, and to sponsor local events, such as high school bands."

What is the teen market? . . .

With its quick changing fads and whimsical ways, the teen market is often difficult to understand. But the Rand Youth Poll, an opinion research group in New York, NY, has tried to define it by tracking buying patterns over the past 31 years.

Describing today's teens, Lester Rand, president, says, "They are virtually today's entire movie audience. They like to go out dancing, to rock concerts, fast food establishments and ice cream parlors. They are in the forefront of styles and fashions, with a keen interest in all sorts of new products. Their exuberance and vitality mesmerizes adults into fulfilling their wishes and desires."

Teens influence the family decision on where to dine. In a tally of the "things teens urge their parents to buy," going to restaurants ranks second, just behind food for the home but outdistancing stereos, cars, video recorders and vacation sites.

Dr. Steve Barnett of Planmetrics, Inc., a market research group with offices in New York, NY, Chicago, IL, and San Francisco, CA, also studies teens. He uses anthropological probing techniques and market research to unearth data on teen trends and conduct an ongoing study on teenagers for a number of clients, including restaurateurs. In 1980, the study identified a clearly definable group of teens, which Barnett labelled "New Wave" teenagers. Comprising 25 percent of the population in 1980, this group has grown to 39 percent of the teen population in 1983.

These New Wave teenagers crisscross every demographic group. Some are well-to-do, some poor, some white, some black, but there are few Hispanics and Asians. "In

Teens: a snacking generation

Today's teens like to snack. A recent survey of 681 Californian teens by the Citizens Policy Center in Oakland, CA, found that youngsters between the ages of 12 and 19 eat 52 percent of their meals away from home—usually in a fast food restaurant, snack bar or school cafeteria.

According to the study, favorite snack foods among teens are candy, chocolate, soda, chips, ice cream and pizza. Another study by Florida International University (Miami, FL) has found that pizza is the top choice of U.S. teens, followed by french fries, peanut butter and jelly sandwiches, hamburgers, fish and ice cream.

All teens eat few fruits and vegetables, and report no correlation between what they eat and how they feel.

Pre-teens, on the other hand, are more health-conscious, according to the Consumer Nutrition Center at Campbell Soup Company, Camden, NJ. Corn is the favorite vegetable of 2 to 12-year-olds, and grapes rank as the top fruit.

—*USA Today*

demographic terms these teens look a lot like the rest of the population," says Barnett, "but in attitude they are quite different."

Partial to bizarre dress, multicolored hair, earrings (even among men), drug taking and Music Television (MTV), the New Wave style is best defined by the following characteristics:

- **Protechnology**
New Wave youth are comfortable with computers and computer games. They are drawn to technology of all sorts: cars, stereos, games and even clothes with metallic colors. But they are not concerned with how a computer works; they merely take it for granted.
- **Artificial better than natural**
New Wave youth ridicule "natural" or "health" food as tasting terrible and associate this food with their parent's generation.
- **Environmentally unconcerned**
New Wave teens appear to be significantly apathetic toward environmental issues, such as energy conservation.

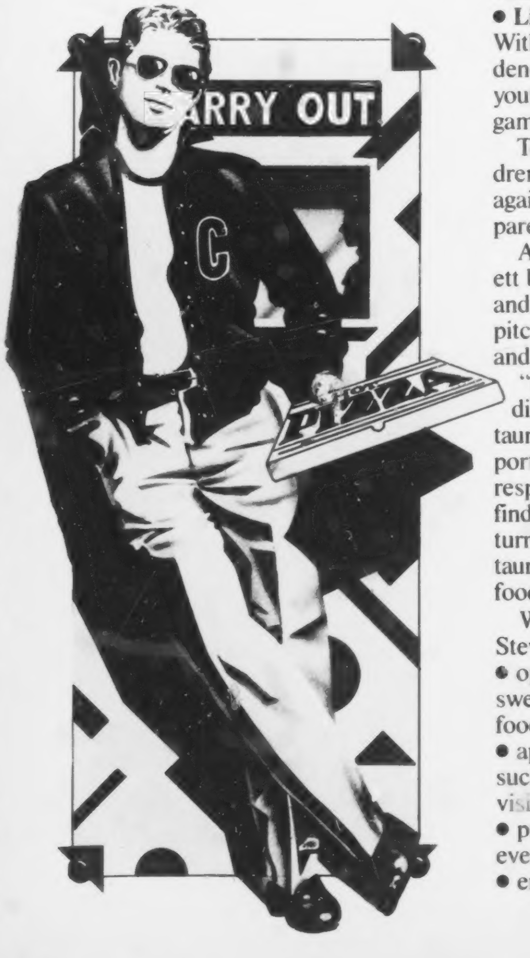
Teen spending for food away from home varies by age and sex, the Rand Survey revealed, with boys spending more in the food category.

Average weekly expenditures by teens in 1983

	Total weekly allowance and earnings	Food and snacks
13 to 15 years		
Males	$22.75	$6.50
Females	23.60	3.95
16 to 19 years		
Males	$53.45	$6.60
Females	54.60	3.90

Overall, females outspend males, a characteristic consistently repeated throughout the 31-year history of the Rand Youth Poll, but in the food and snacks category they spend less than males.

Source: *Rand Youth Poll*



- **Politically apathetic**
Following a trend noted in youth in general, but more pronounced in the New Wave group, these teens feel politically alienated and disinterested in voting or the political process.
- **Living in an imaginary world**
With a short attention span and a tendency to bore quickly, New Wave youth move from one imaginary video game to another.

To generalize, the New Wave children are in many ways rebelling against the values of the 1960s, their parent's generation.

According to his findings, Dr. Barnett believes "that with most fast food and restaurant marketing either pitched at small children or families" and those ads with teens pictured as "cheerleadery, fresh-faced, smiling, disgustingly wholesome teens" restaurateurs may be missing some opportunities. "New Wave youth do not respond to these ads, and, in fact, we find that many of these youth are turning to less heavily advertised restaurants, such as pizza and Mexican food restaurants."

What they do respond to, says Steve Barnett, are

- opportunities to eat frequently; sweet, salty, greasy and garlicky foods are especially popular
- appeals to their repeat business, such as coupons good for their next visit
- promotions tied to their special events, parties and concerts
- environments that are conducive for groups and cliques to gather and sit in rather than open seating and
- new ordering techniques that tie in with their interest in computers. "I think it would be extremely appealing for them to order food from some sort of computer at their booth," suggests Barnett.

One operator whose drive-in restaurant is popular with teens is Big Don's Drive In in Gillette, WY. Owner Gary Gulley has found that teens gravitate to his unusual pineapple, chocolate and cherry flavored cokes; his corn dogs and his mustard-mayonnaise for french fries. Gulley has also noticed that teens enjoy listening to music while they eat in their cars and appreciate discounts for special activities, such as sporting events.

Burger King has found that business has picked up after dates and concerts and so has opened more drive-through windows, which stay open until two or four in the morning.

The other 61 percent . . .

If the New Wave group comprises 39 percent of the teen population, what about the other 61 percent? According to Dr. Barnett's research, this group is not clearcut. It has many subsets, including traditionalists as well as a "born-again" group comprising about 10 percent of the teen population.

A New York advertising executive familiar with marketing to teens explains that "reaching teens means choosing the right media." The media that most heavily reaches teens is radio, top 40's stations (for the 13 to 15-year-old group) or pop album rock stations (for the older teen).

Music Television, the new cable network estimated to reach an audience of nearly 16 million, is another new way to reach teens. Today teens no longer ask, "Did you hear the newest song by the Police (a rock group)?" but rather, "Did you see the newest song by the Police?" Some advertisements on MTV even take on the same form as the colorful and often bizarre rock singing segments so as to be almost indistinguishable from the shows themselves.

Some marketers believe that teenagers don't need to be approached as a special group and that they respond to the same type of advertising as other people do. "In our advertising we don't go after teens as a separate market, although we think our message on network TV reaches them," says Weir of Burger King. Other franchises, such as Baskin Robbins and Kentucky Fried Chicken, also prefer to focus their efforts on a broader audience, arguing that the way to target teens is to target their parents. Target the media that comes into that type of household, explains Weir. For example, to get higher income teens, target their higher income parents.

Teens only nightclub . . .

Whether they are New Wave or not, teens gravitate toward each other and enjoy an atmosphere removed from adults and children. One concept that offers this exclusivity is a soft-drink-only nightclub for teens. Pioneers in this business are Joseph Dauphinais, his wife and five children, owners of J.D.'s in Wolcott, CT. In operation for about two years, the nightclub welcomes 13 to 21-year-olds each Friday and Saturday night.

Says Dauphinais, "When our own children were teenagers, one of the biggest problems was that there was never any place for them to go at night." J.D.'s seems to fill this gap, bringing in 250 to 350 teens for $3.00 each Friday night and 400 to 500 on Saturday night for $4.00 each. The Dauphinaises even opened the club a few Sunday nights in the winter for breakdance contests.

Weekly frequency of meals eaten out by age

Meal	**Age group** **21 and under**	**22–40**	**41–64**	**65 and over**
Breakfast				
At least once	11.8%	17.7%	16.6%	11.3%
1–2 times	5.4	11.5	10.6	7.0
3–4 times	2.5	3.0	2.7	2.2
5–7 times	3.9	3.2	3.3	2.1
None	88.1	82.3	83.3	88.7
Lunch				
At least once	67.7%	54.3%	45.8%	28.7%
1–2 times	13.2	23.1	17.5	15.3
3–4 times	7.5	10.1	7.9	6.5
5–7 times	47.0	21.1	20.4	6.9
None	32.2	45.6	54.1	71.4
Dinner				
At least once	42.9%	53.9%	50.5%	37.8%
1–2 times	31.0	38.8	34.6	24.6
3–4 times	7.2	10.1	10.5	7.6
5–7 times	4.7	5.0	5.4	5.6
None	57.0	46.1	49.5	62.2

NOTE: Totals may not add to 100 percent due to rounding

Source: *Meal Consumption Behavior,* NRA, 1981

Using the Dauphinais' success as their model, competing clubs have sprouted up in nearby towns, making the Dauphinaises consider franchising their idea. "We get a steady stream of regular customers, some as far away as New York," describes 27-year-old son Bob. Basically, the nightclub consists of two rooms—a smoking and non-smoking dance room, with video games in the non-smoking area and a disc jockey in the large smoking room. Pizza, candy and popcorn are served along with a "lot of soda," says Bob Dauphinais.

Teens are very strictly supervised on the premises, where the rule is no alcohol or drugs and no fights. No one can leave and return without paying the admission charge again. This is to discourage using drugs or drinking in the large parking lot. Anyone caught breaking the rule is taken to the office while the police are called or parents notified.

To enforce the rules, the Dauphinaises hire between 15 to 20 young men, almost indistinguishable from the patrons, to check the club and the parking lot.

The "no drugs, no booze, no fights" rule has proven to be an attraction rather than a deterrent. Another unexpected boon for business came in October 1983 when the drinking age in Connecticut was raised to 20. With the higher drinking age, young people have been forced out of the regular discos and nightspots where alcohol is served and are glad to have some place to go.

With a nationwide drinking age of 21 endorsed by President Reagan, this type of soft-drinks-only club may potentially grow.

In conclusion . . .

Although the teen market is hard to follow, teen spenders are worth attracting because they command a sizeable pool of discretionary dollars. As Bernard Booms, professor at Washington State University in Seattle, WA, puts it, "They go where the kids go. The only change in the past 20 years is that the fad has changed." ❑

Editors note: *The opinions expressed in the article are those of the author and do not neccessarily reflect NRA views.*

by Carolyn Mulford

TEENAGE EMPLOYEES

How to turn the employment tide in the industry's favor

Teenagers have become an important part of the industry's labor force. Teenagers frequently make up half to three-fourths of the staff of fast food restaurants and one-fourth to one-third of the staff of full-service restaurants.

An informal survey of a dozen representatives of various types of restaurants around the country shows a near consensus on the advantages and disadvantages of employing teenagers and that the advantages far outweigh the disadvantages.

Advantages . . .

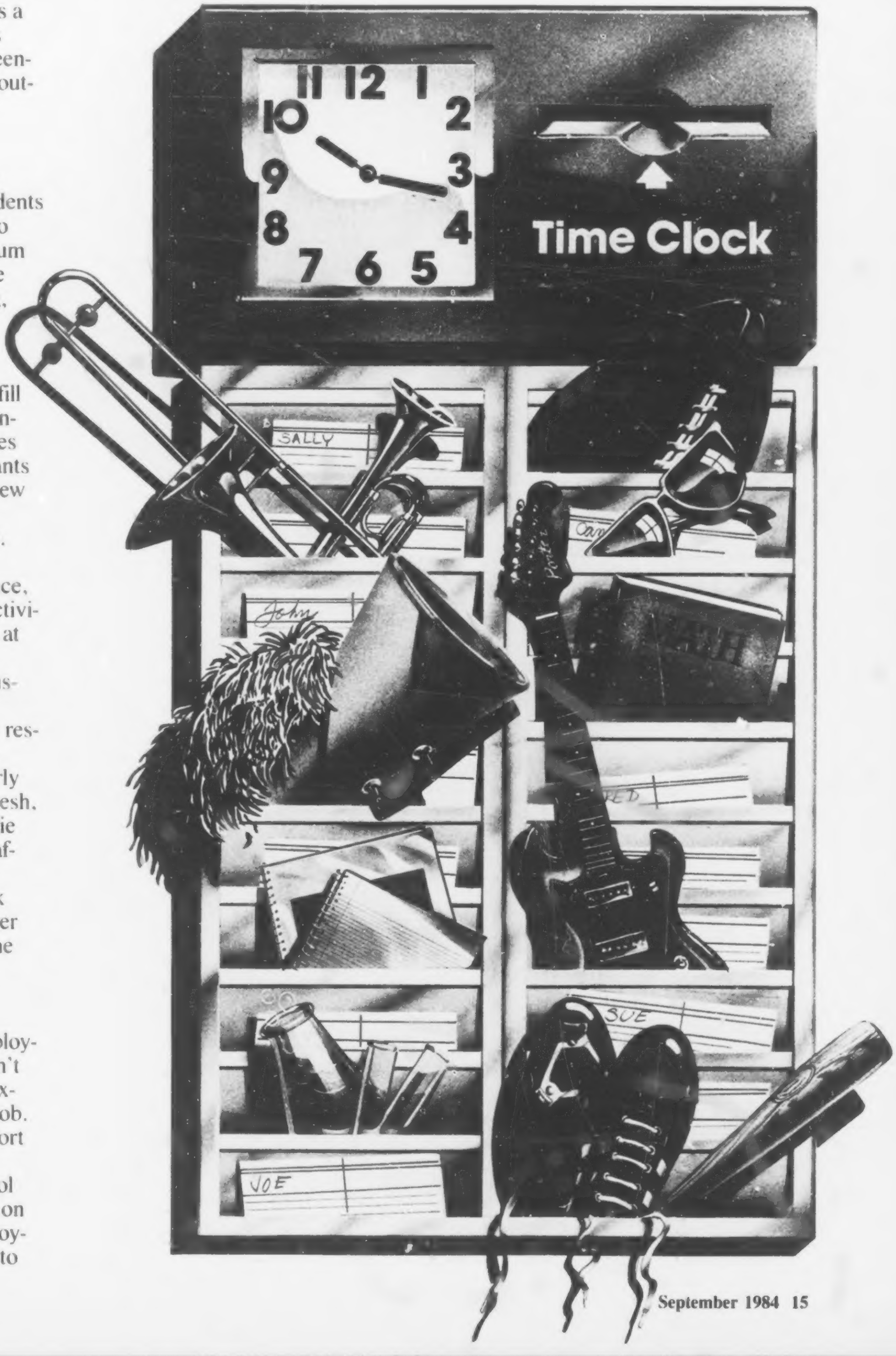
The biggest advantage in hiring teens, all agree, is availability. Students want to work part time and tend to expect (at least at first) the minimum wage. Although statistics show the number of teenagers is decreasing, and the number of foodservice jobs (particularly in fast foodunits) is increasing, no one reported having trouble finding teenagers to fill jobs. Tom Devlin, president of Sunshine Pizza (Wilsonville, OR) states that he receives 200 to 400 applicants for 30 to 40 jobs when he opens new stores in Oregon.

The next big plus is enthusiasm. Teenagers' energy and eagerness make up for their lack of experience, enabling them to equal the productivity and quality of older workers in at least the entry-level jobs.

This enthusiasm builds good customer relations. Robert Nichols, owner of La Prad's, a family-style restaurant in the Georgia mountains, says that senior citizens particularly like "to see someone that looks fresh, neat, clean and ready to go." Willie Lambert, manager of a Luby's Cafeteria in Austin, TX, notes, "The young floor attendants tend to talk more with the customers than other employees do. That helps bring the customers back."

Disadvantages . . .

There are disadvantages in employing teens, too. Students often aren't available as consistently as they expect to be when they apply for a job. Norman Atz of Atz Ice Cream, Fort Wayne, IN, points out that the "persistent problem for high school students is having other activities on their schedules." As several employers said, teenagers have to adjust to



the fact that foodservice workers are the busiest just when others are enjoying themselves.

The other major disadvantage is lack of experience. Most employers express little concern about this, however, seeing it as an opportunity to train the teenagers as they want them trained. The training involves two aspects: job-related skills and good work habits. Joe Angel, president of Burger King's restaurant management group in Portland, OR, points out that first-time employees initially may not understand "what the job place requires in regimentation—punctuality, dress, haircuts."

The 16-year-old employee may lack the maturity and judgment of those a few years older, and William Zacharias, director of employee/labor relations for Arby's, Inc., Atlanta, GA, notes "a tendency to indulge in horseplay."

Zacharias also says that Arby's hires many more 18 to 19-year-olds (50 percent of the employees) than 16 to 17-year-olds (17 percent of the employees) because those under 18 are not allowed to work with "hazardous equipment." However, most of the other operators interviewed like to hire 16-year-olds in order to increase the likelihood of the students remaining for at least two years as they finish high school.

For some restaurants, such as the Mr. Steak franchise run by Chuck Roherty in Janesville, WI, the problem is that those under 18 cannot serve liquor. Roherty is concerned that the raising of the drinking age may portend a raising of the serving age.

JOE'S PLACE
JOB APPLICAT
APPLICAT

Finding teenage employees . . .

To maximize the advantages and minimize the disadvantages, those who rely heavily on teenage employees seem to place special emphasis on selection and training.

The preferred method of recruiting new employees is through current employees. Angel reports that for six years the Burger King franchises in Portland have given a $50 dollar savings bond to anyone who brings in an employee who works at least 60 days. He credits the good results to the fact that the new employee knows what to expect and comes in willing to do the hard work required.

Oregonian Tom Devlin uses another favorite method in recruiting for his pizza parlors. He works closely with high school teachers in charge of foodservice vocational programs or work programs. He also runs ads in local papers or puts a sign in the window.

Devlin likes to hire "different kinds of students—football players, band members, academic types—who have access to different groups in the school." He finds that they not only help draw in customers but also "help with discipline control among their peers."

Bruce Raternik of California-based Carl Karcher Enterprises (Anaheim) says that the managers of the 400 Carl's Junior Restaurants work closely with schools and with community organizations, such as youth groups and churches.

One reason that managers like to work with schools or community groups is the extra push to do well that a teacher, pastor or leader provides.

General school work programs, i.e., distributive education, may be of more help than vocational foodservice programs to those who do not have full-service restaurants. Atz said that one vocational program at a local school was more interested in placing gourmet chefs rather than recommending entry-level employees to do busing and waiting for his ice cream-oriented operations.

On the other hand, Frank Stover, manager of the Harvard Club, Cambridge, MA, welcomes the well-trained students from the foodservice program at the Minuteman Regional Vocational Technical School in nearby Lexington. No student can graduate from the school without having worked at least 500 hours in the foodservice industry.

The McDonald's Corporation, which helps underwrite the Minuteman program, is the largest employer of teenagers in the country. The corporation uses a variety of recruitment methods, including attending job fairs, using personnel agencies, working through such nonprofit organizations as the Urban League, listing openings at state employment offices, encouraging employee referrals through bonuses and putting a sign in the windows of its franchises.

Several operators like to conduct

more than one interview to assess the seriousness of an applicant. At La Prad's, a lakeside restaurant in Clarksville, GA, 18 miles from the nearest town, Nichols prefers that applicants come twice—once to pick up the application and see the place and then the next time with their parents for the interview. The main reason for including the parents is that Nichols wants to be sure the parents understand that their children are not to disappear for two weeks of family vacation in the middle of the summer.

APPLICATION
JOE'S PLACE

Because he conducts a seasonal (eight-month) operation, Nichols has a special hiring problem. He needs teenagers to work in his resort operation after school starts, particularly on weekends. One way to solve this problem has been to hire those teens whose parents have cabins on the lake or who live near enough to come over to work on weekends.

Training teenagers . . .

Although most employers don't set up special training programs for teenagers, trainers and managers obviously take some special care with the young, first-time jobholder.

Norman Atz observes that teens are often scared. "They have no mother or teacher to protect them. It's their first time in the competitive world, and customers may seem 10-feet tall. We pat them on the back as much as possible," he says.

La Prad's also takes special care with teens during their first two weeks on the job. "We try hard to catch them doing something right," says owner Robert Nichols.

An effective training program also builds confidence. In Austin, TX, the six Frontier Enterprises coffee shops called Jim's Restaurant have a three-day initial training program for new employees.

The first day an in-house trainer teaches a class that covers such things as house rules, the menu, procedures for credit cards and filling out tickets. The trainer uses slides as a visual aid, and students practice some of the procedures they hear and see.

The second day the trainees shadow an experienced staff member in a restaurant. Those who train the newcomers receive extra pay and wear a special name tag that says "professional trainer." Because many of the trainers are also teenagers, this boosts their morale and gives new employees a goal to work toward.

Perhaps the most formalized training programs are those at fast food operations. Stephanie Skurdy, staff director of McDonald's Corporation, Oakbrook, IL, considers training the key to success.

For crew members, McDonald's combines the use of videotapes and a buddy system. After a general orientation that includes a tour of all stations, new staff members watch a videotape nine to 12 minutes long on how to do the job at one station. (McDonald's produces 90 percent of its own tapes.) The new employee watches with an experienced staff member, perhaps a crew leader responsible for training, and then goes with that buddy to see the job being done.

After employees learn one station, they start learning another. They continue until they know all the stations. According to Skurdy (and others), "The more a person knows, the more valuable that person is. Besides, people like to do different jobs. It keeps them from getting bored."

Skurdy maintains that trained managers are critical to the success of new hires. That is why McDonald's managers learn how to train, motivate and evaluate employees; how to treat teenagers as adults; and how to use such contemporary techniques as transactional analysis (the "I'm okay-you're okay" approach). Says Skurdy, "We teach managers to think of employees as individuals rather than as a

15 ways to win with teenagers

1. Use teenage employees to contact potential employees.
2. Work with schools, youth groups and nonprofit organizations to find potential employees.
3. Make expectations clear during the interview and again during orientation.
4. Be liberal with praise.
5. Be firm and fair.
6. Train on site. Involve both management and non-management employees in the training. Don't rely completely on on-the-job training.
7. Train managers to be patient, to train employees in both job skills and work habits, to give respect to all employees and to evaluate progress.
8. Train employees in more than one position and give them a chance to rotate.
9. Offer opportunities for promotion within both the hourly crew and management levels.
10. Pay close attention to scheduling problems. Remain as flexible as possible but distribute work evenly.
11. Give incentives—raises, promotions, fringe benefits, scholarships, recognition awards—to work hard and stay on staff.
12. Balance crews so that experienced staff members always are on duty with inexperienced ones.
13. Remember that teenagers are members of the same species as bosses and respond to the same management techniques that older employees do.
14. Study the local employment and population projections to see whether the dwindling labor pool will affect your area. If so, start planning now.
15. See "How to motivate hourly employees," pages 8–10, ***NRA NEWS***, October 1983.

group and then to think how those individuals fit into the group."

Other franchise operations have similarly excellent programs. Angel of Portland's Burger King uses videotapes and underscores the importance of personal interaction between the managers and the hourly employees, 80 percent of whom are teenagers. His operation uses some written tests as well.

Zacharias of Arby's in Atlanta uses training charts, manuals, tests (including a visual test sheet), and "five to eight weeks of being taken by the hand and walked through the various functions." Arby's sometimes uses a training store and sometimes does the training on site.

Employees do appreciate the extra attention. On-the-job experience is the most popular training method with fast food employees, according to a recently released report, *Fast Food Jobs*, published by the National Institute for Work and Learning in Washington, DC. Coworkers, special trainers, managers, assistant managers and crew chiefs are also considered to be helpful, but district and area managers or supervisors are not considered to be of much help, probably because they are less likely to be involved in day-to-day operations.

Retaining teenagers . . .

Once a teenager has enough training and experience to be a valuable member of the staff, the emphasis switches to retaining that employee. Decreasing staff turnover will become more and more important in the next few years, for the Department of Labor projects a need for almost 1.6 million more foodservice workers by 1990. The number of fast food workers is expected to jump by 51.1 percent. At the same time the low birth rate of the 1970s has reduced the percentage of the population that will become available for first-time jobs.

Fast-food operations are particularly sensitive to the growing need to reduce turnover. The National Institute for Work and Learning's study of 4,600 employees in seven fast food chains indicated that the mean length of employment is 18.6 months, with a fourth employed for more than two years and a fourth employed for six months or less.

Aside from the dwindling teenage population is the expense of employee turnover, which costs several thousand dollars per employee. Arby's, along with many other establishments, wants to retain hourly employees until they are ready to step into management positions. Currently, William Zacharias, Arby's director of employee/labor relations, estimates that nearly three-quarters of all Arby's restaurant managers have come up through the ranks. Those who have been promoted from within have one-tenth the turnover rate of those hired from the outside.

Basic to Arby's retention strategy are regular pay increases and eligibility for fringe benefits. Employees receive a 25 cent increase after three months and also at the end of each six months thereafter. Hourly employees who work more than 30 hours a week qualify for group insurance. After a year employees who have worked a certain number of hours earn a vacation with pay.

Says Zacharias, "We are great believers in psychological recognition, but a pat on the back is not enough." Quarterly recognition awards and employee of the month plaques posted in restaurants are among the morale boosters.

Education benefits can be a major incentive for staying in a job. Mannie Garcia, who has a number of Burger King franchises in and around Winter Park, FL, is one of the few franchisees who has established his own scholarship programs.

Under one program, which has just begun, any interested employee who has worked for at least six months, achieved expert status (capable of working all stations) and has at least a C average will have $200 placed into a scholarship account at the end of each six months worked. Parents can have the scholarship accounts set up for their children.

When the scholarship becomes payable, the money goes directly to the continuing education institution to cover costs of tuition, room and board or books and other educational expenses. The scholarship may be drawn out at one time or gradually.

Garcia's group also will give five $2,000 scholarships each year, with the winner being determined by a board of educators. Conceivably, a student who has worked for two years for Burger King could graduate from high school with almost $5,000 in scholarships.

As an added benefit, another Burger King franchisee in Gainesville, FL, a favorite university town for Winter Park students, will hire those who transfer from one of Garcia's branches and continue the scholarship account.

Other chains also encourage transfers as students go off to college or simply need to change their working hours. One franchisee's loss may be another's gain.

Throughout the industry, promoting from within seems to be one of the best ways to retain employees. Almost all employers speak of their eagerness to promote from within, though most point out that the complexities of modern management require postsecondary education and not just on-the-job experience. Nonetheless, again and again teenagers become assistant managers or crew leaders.

According to *Fast Food Jobs*, more than half of the fast-food employees studied (70 percent of them teenagers) want to move up, with almost one-third aiming at the manager slot. This is encouraging news for the industry, as is the finding that 67 percent of the study's respondents enjoy their jobs.

Planning ahead . . .

For years a flood of teenage applicants has poured through the doors of the foodservice industry. Operators have learned a great deal about training and managing them and have not worried greatly about the high turnover rate in this age group. As that stream abates, the industry may have to improve its methods of attracting and holding young employees.

According to Peter Crafts, director of the foodservice program at the Minuteman Regional Vocational Technical School in Lexington, MA, "The foodservice industry cannot hold young people if it doesn't come up with a retirement package and fringe benefits."

Another area Crafts says demands operator attention is the poor image restaurants have as a place to work. Ways to improve the image, he maintains, include becoming involved at the junior and senior high school level by working on school advisory committees and sponsoring field trips to restaurants.

More care of teenagers on the job is also needed, warns Crafts. Increased financial rewards, fringe benefits and such innovations as Garcia's scholarship program also can help turn the employment tide to the industry's favor. ❑

VIEWPOINT

THE CONSUMER, FOOD AND THE BAD NEWS SYNDROME

Dr. Elizabeth Whelan

Scientists and consumers disagree on the quality of our food supply—a divergence I find difficult to understand.

As a scientist, I daily encounter data that we in North America are healthier than ever before, nourished by the best, most inexpensive, safest and most varied food supply in history. Techniques of fortification, enrichment and preservation have offered us a variety of benefits, including increased longevity. In 1900 the average newborn could be expected to live 47 years, whereas a child today can be expected to live nearly 75 years.

Government surveys indicate that we are meeting or exceeding most of our needs for vitamins and minerals. The nutritional deficiency diseases that were once major public health problems in the U.S. and Canada have become rare curiosities. And cancer of the stomach, usually associated with food ingredients, has declined drastically in the past 50 years.

As a consumer, the message I seem to get daily is just the opposite. The popular wisdom seems to be that there are man-made carcinogens and toxins in our food, that processing has left our diet inferior and that major dietary modifications are in order.

Bookstores carry titles like *Eating May Be Hazardous to Your Health,* and *Who's Poisoning America?* And television documentaries have telling titles like "What is This Thing Called Food?" and "Serpents' Fruits." Products in the supermarket fight each other over which is more natural, more organic, less synthetic and artificial. All this communicates that our traditional food supply is polluted, and the new wave of naturalness is the only salvation.

These diametrically opposed perceptions are based on misconceptions. Let's examine six areas where the scientific consensus differs from that of the consumer.

1: Natural versus artificial

An underlying theme in environmental and nutritional literature is that technology is inherently life-threatening, chemicals are, by definition, dangerous, and our health would be far better if we lived more naturally, free from the deleterious spewings from irresponsible "alchemists."

"The average layperson thinks natural is better and healthier."

As Dr. Helen B. Hiscoe, of Michigan State University, wrote in the *New England Journal of Medicine,* "The underlying assumption of those who value things because they are natural is their belief that nature is a benign force whereas human power tends to be evil."

This dichotomy is, at best, misleading. Epidemics of disease are quite natural, as are earthquakes, volcanic eruptions, floods and droughts. So are the airborne pollens from a wide variety of allergenic plants. Many natural substances, including food, contain toxins. Carrots contain a fairly potent nerve poison. Radishes contain goitrogens—chemicals that promote goiter by interfering with our body's use of iodine. Shrimp are a rich source of several minerals, including arsenic; and pepper and nutmeg contain myristicin, a powerful hallucinogen.

A number of different "natural" substances have been shown to cause cancer in animals—and in some cases, in humans. For starters, tobacco is highly carcinogenic when it is burned and inhaled and hazardous when it is chewed and when condensate of cigarette smoke is rubbed on the skin of animals. Aflatoxin-producing molds, which can grow on a variety of "natural" substances, including peanuts and wheat, have been shown to increase the risk of cancer in rabbits, guinea pigs, dogs, cattle, ducks, mice and rhesus monkeys. And there is substantial circumstantial evidence that exposure to aflatoxins may play a role in human liver cancer.

Bracken fern, a tender, tasty, asparagus-looking sprout, eaten widely in Japan, is a powerful cancer-causing agent even after it is cooked.

The irony of the "natural is good, synthetic is bad" argument is that due to "unnatural" technology—complete with preservatives, refrigeration and imitation and processed foods—we are living longer than ever before with unprecedented control over infectious and communicable diseases.

But despite this, the average layperson thinks natural is better and healthier—when the only thing healthy about it is the price markup.

2: Food additives/pesticides

In a survey conducted early this year by the Food Marketing Institute (FMI), supermarket shoppers were asked, "What is it about the nutritional content of what you eat that concerns you and your family the most?" The number one response to this question was no surprise—chemical additives. Other common responses were preservatives, harmful ingredients and food colorings. And

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Dr. Elizabeth Whelan is founder and executive director of the American Council on Science and Health in New York, N.Y. Whelan, well-known for her controversial point of view, presented these edited remarks at the 1984 NRA Show.

in a different question asked in the same survey, more than three-quarters of the shoppers expressed concern about residues, such as pesticides and herbicides, in their food. The questions were asked *before* the major media blitz on EDB had taken place.

Additives are substances intentionally added to food to enhance visual appearance, taste, structure, storage life, safety or nutritional quality. A formal definition of food additive might be "a pure substance of known composition added to a complex mixture of substances of unknown composition." The fact is that we know far more about the chemistry, toxicology, properties and behavior of food additives than we do about foods.

The World Health Organization estimates that almost 25 percent of the food supply is lost each year before it gets into consumer hands as a result of infestation by pests and rodents and because of chemical deterioration. Additives and pesticides prevent chemical and microbial deterioration.

There are a variety of instances where chemicals and processing actually promote and protect health, including vitamin fortification of skim milk, protection from botulism offered by nitrites, and the possible cancer protection derived from added antioxidants like BHA and BHT.

3. Animal testing: Are mice little men?

A good deal of concern about the safety of our food supply is based on experiments with laboratory animals. The scientific community accepts animal tests for what they are—a mixed bag of benefits and limitations.

Animal tests are useful as a screening methodology, but no toxicologist would tell you that a mouse (or rat) is a little man and that we must assume what happens in the laboratory will happen to us. If we did, we would be in big trouble. Overcrowding of lab animals dramatically increases the incidence of cannibalism and other aberrant behavior. Consider the implications of that for the New York City subway system. Yogurt, when fed as the only food in the diet, causes blindness in mice. What relevance is that to man? None that I know of.

A variety of everyday items—normal constituents of the human diet, such as sugar, vitamins A and D, pepper, and a mixture of egg yolks and milk, have been shown to be carcinogenic in at least one animal test.

But for the layperson an animal experiment is considered definitive. How often have you read about saccharin, nitrite, PCBs or dioxin as being "cancer-causing agents" with no clarification that this designation is limited to laboratory conditions? It is easy to alarm consumers by announcing that "x" chemical causes tumors in rats.

But consumers and the press have a double standard about animal carcinogens: They only take note and act on their anxiety if the chemical being tested is a man-made product.

4. Sugar: A hazard to your health?

In the FMI study a surprisingly familiar food ingredient ranked second in the concerns of supermarket shoppers: sugar.

Sugars are digestible carbohydrates; therefore they are food. Sugar is a tasty source of energy; and for all practical purposes, it doesn't matter what form it comes in—brown, honey, raw or white.

"Sugar . . . has come up with a relatively clean bill of health."

Sugar's health effects have been extensively studied, and it has come up with a relatively clean bill of health. It is no more a cause of obesity than is any other source of calories. Indeed, studies indicate that most obese people eat very little sugar, getting their extra adipose from denser sources of calories, like fat and alcohol.

And it doesn't cause diabetes. While some diabetics may be cautioned to curb their intake of all carbohydrates, sugar does not cause this condition. Indeed, the most prominent cause of adult onset diabetes is obesity—that, of course, comes from too many calories, no matter what their source.

I think most scientists would neither characterize sugar as being "good" or "bad" for you. Generally, you do not eat sugar in isolation. It makes a number of highly nutritious foods taste good. It adds some pleasure to eating, and that's about all you can say. But try saying that at the next social gathering you go to.

5: Vitamin and mineral supplements

The Food and Nutrition Board of the National Academy of Sciences is responsible for setting recommended dietary allowances for vitamins and minerals. They obviously could not determine every individual's specific needs, so they set levels which they feel would meet the needs of most of the population.

Nutritionists and physicians around the nation might argue with some of these figures, and some might even advocate low-dose vitamin and mineral supplements for people who are following less than desirable eating patterns. But I think we can safely say that the overwhelming majority of physicians and scientists knowledgeable in the field of nutrition agree that the best source of all vitamins and minerals is food. Further, a review of the scientific literature reveals a growing concern among physicians over the toxicity of high doses of vitamins.

Reports indicate that vitamin A can cause headaches, severe liver damage and retarded growth in children; niacin can cause gout, liver damage, itching and even flushing; vitamin B-6 can cause nerve damage; vitamin C has been linked to "rebound scurvy" in newborn babies whose mothers took large amounts of vitamin C; and vitamin D can cause kidney failure and high blood pressure.

Consumers have a different point of view. Surveys now indicate that more than 75 percent of Americans feel that extra vitamins are the route to long life, more energy and good health. Vitamin sales are booming. The very same individual who would not touch a maraschino cherry because it has that potentially toxic or carcinogenic red dye #40 will gulp vitamins in quantities that are in excess of 1,500 percent of their recommended daily allowance. These people don't seem to realize that vitamins are chemicals, too.

6: Diet and cancer

In the past four years there has been a dramatic surge of consumer interest in understanding how diet might influence risks of chronic disease and certain forms of cancer. Recently the National Cancer Institute and the American Cancer Society released what they referred to as "interim guidelines" for dietary modification to reduce cancer probability. The recommendations generally revolve around reducing dietary fat, increasing consumption of fruits and vegetables, avoiding smoked and cured foods and moderating alcohol use.

The diet cancer observations are intriguing, but they have been under study for only about 10 years. The data are inconsistent and conflicting. It seems every time one study shows a protective effect from fiber, another one shows no effect. And just recently laboratory results revealed that a high fiber diet (particularly bran) promotes cancer in laboratory animals exposed to carcinogens, possibly through the mechanism of irritation of the colon.

Consistency is a key element of applied epidemiology. We do not like to make recommendations until there is that consistency from study to study. Last April both the *New England Journal of Medicine* and the *Journal of the American Medical Association* addressed the topic of diet and cancer and concluded as follows:

> " . . . information about specific dietary factors (in cancer causation) is generally inconsistent or incomplete. It is our own belief that available data are not sufficient to serve as a basis for strong dietary recommendations . . . ."
>
> *New England Journal of Medicine*
>
> "On the subject of preventing cancer specific dietary recommendations appropriate for the entire population simply may not exist . . . There is no consensus among knowledgeable scientists on the issue of diet, nutrition and cancer . . . ."
>
> *Journal of American Medical Association*

My point here is that a review of the scientific literature on the subject of diet and cancer reveals that we are really on our own here. Surely it wouldn't hurt to eat more vegetables and cut down on sources of fat, but it wouldn't hurt to do a lot of things.

Consumers, on the other hand, believe that we have the recipe for cancer prevention. Surveys now indicate that Americans feel that diet is of the same magnitude of importance in cancer prevention as cigarette smoking.

Why is there such a dramatic gap between scientific consensus and what the public believes about nutrition?

The reason for the gap . . .

The main reason for the gap is that scientists have remained mute in debates about nutrition. And with the great majority of scientists and physicians out of the public debate, the public is left with a minority of individuals who are repeatedly quoted by the media. Why are the mainstream scientists mute? There are a number of explanations.

1. It could be argued that scientists are simply too busy to get into public and sometimes controversial, dialogues on chemicals, the environment and health.

2. The trained scientist may never have been on TV, and he's afraid that he might handle it badly. Scientists and physicians are not trained to debate in public. They don't want to make a fool of themselves, and they are often afraid that professional colleagues might question the propriety of their media appearances.

"The best source of all vitamins and minerals is food."

Moreover, experts in the fields of medicine, nutrition, food safety and related disciplines feel obliged to speak with constant qualifications, clarifications and exceptions to the rule. When one is on the offensive, for example, claiming that our food supply is a chemist's nightmare, responsible for everything from breast cancer to bunions, and that only megadoses of vitamin X will protect us, it is far easier to present the case than it is to be on the defensive and to admit, in all honesty, that since the negative cannot be proven the possibility of harm or benefit always exists.

3. Many mainstream scientists and physicians may simply be afraid of public humiliation. Members of the media, while quick to accept unchallenged frightening and pessimistic reports, are just as quick to be skeptical of scientists who defend technology. "Who funds you?" is the classic, aggressively asked way of shooting down the scientist-messenger who brings good news.

Most scientists in North America have *some* connection with industry, either because they have offered consultant services or been speakers at corporate conventions, or because their university department has a grant from one or more members of the food, chemical or pharmaceutical industries. Thus they may feel (unjustifiably but sincerely) vulnerable to the probes of the press.

4. There is the simple fact that scientists do not advance their scientific careers by making public and media appearances. They don't earn tenure at a major university by speaking on television.

Getting the scientific community to participate . . .

How do we untie the tongues of the mute experts? First, scientists must come to appreciate how uncritical the layperson often is when given out-of-context bad news.

Second, health professionals should convince the media, by example, that scientifically sound medicine including nutrition, isn't intrinsically dull. Prime time and daytime medical dramas are relatively accurate, and many of them have earned high ratings.

Third, scientists, wherever possible—through personal contacts, letters to the editor or a call to a TV producer—should announce well in advance of a breaking story their availability to answer questions on specific topics.

If each station had a continuing relationship with a few medical and scientific consultants (from the local university faculty, perhaps), it would not be difficult to verify the accuracy of health facts or to determine whether a controversial talk-show guest would best appear together with a scientific viewpoint.

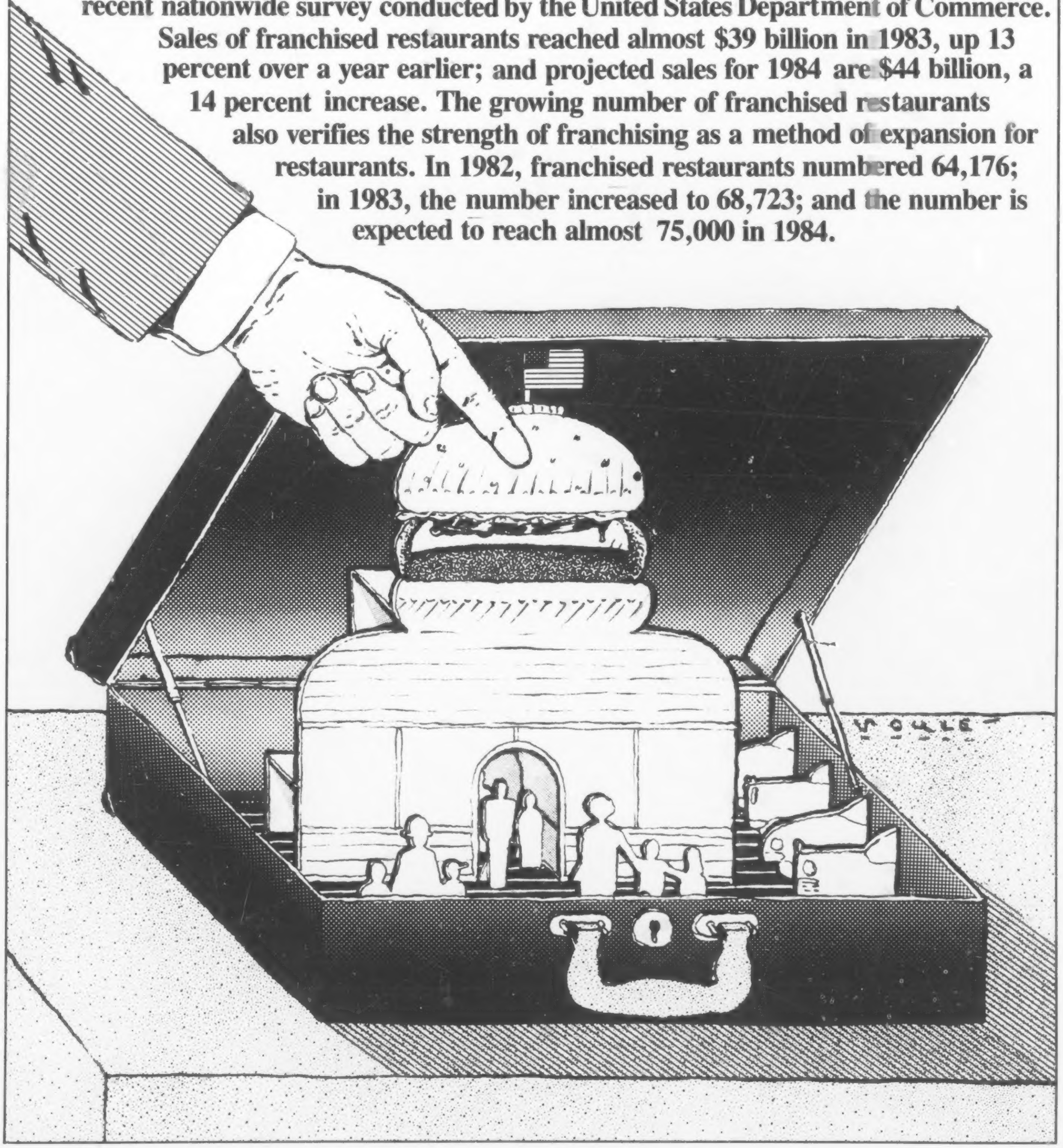
Physicians and scientists should not deny or fight the power of the media; they should join it. If a charlatan is in town, a qualified professional should be demanding a debate. To stand back is to permit facts to be distorted—a dangerous error of omission and a clear invitation toward even further broadening of the gap between science and popular wisdom. ❑

Editor's Note: *The opinions expressed in this article are those of the author and do not necessarily reflect NRA views.*

HOW TO MARKET A FRANCHISE

by Bruce C. Cotton

Franchising in the restaurant industry shows no signs of slowing down, according to a recent nationwide survey conducted by the United States Department of Commerce. Sales of franchised restaurants reached almost $39 billion in 1983, up 13 percent over a year earlier; and projected sales for 1984 are $44 billion, a 14 percent increase. The growing number of franchised restaurants also verifies the strength of franchising as a method of expansion for restaurants. In 1982, franchised restaurants numbered 64,176; in 1983, the number increased to 68,723; and the number is expected to reach almost 75,000 in 1984.



Mrs. Sanders donned an antebellum costume to pique interest in her husband's Kentucky fried chicken. The Colonel added proof to the message by rolling up his sleeves and actually conjuring up the product the Sanders promised would bring customers in droves. People who were convinced of the chicken's potential simply signed on, and one of the granddaddies of fast food franchises was born.

With about 100 companies competing for a single franchisee in the current market, that method is a little outdated. Today, a franchisor must not only convince potential franchisees of the value of the product or service on which the business is based, but also must convince them the company offers the best value in training, ongoing assistance and assistance in site selection, marketing and advertising—the best business format in general. And the Federal Trade Commission and most states have at least some legal requirements that must be met before a franchisor may even start advertising

Although the passage of time has brought about a complexity and sophistication not realized in Colonel Sanders' early marketing efforts, the basics are still the same.

1. Defining the target . . .

Col. Sanders didn't just walk into a random restaurant to sell his new chicken; he knew what kind of person he wanted. Knowing what kind of person is needed to operate a franchise is still the first step toward locating the right franchisees.

Franchisors should be able to identify the essential characteristics of franchisees for their operations. Age, financial background, education, prior business experience and unique characteristics, such as training, are some of the qualities that will go into the profile. Once the profile is completed, the potential pool of franchisees is defined. The next step is to reach those candidates among the country's 250,000 million people.

2. Getting the message across . . .

Franchisors use a variety of methods to advertise their franchise packages. According to the *Continental Franchise Review* survey, published by National Research Publications, Inc., in Denver, CO, the most successful advertising methods are referrals from existing franchisees, customers and displays in the franchise business, such as countertop signs. Also successful are listings in franchise publications and franchise directories, such as the U.S. Department of Commerce *Franchise Opportunities Handbook* or the International Franchise Association's *Directory of Membership*. Other approaches include public relations compaigns; direct mail; franchise brokers; referrals by lawyers, bankers, estate planners and others who handle business opportunities; and trade shows, such as the ones conducted annually by the International Franchise Association and NRA.

New directions for food franchising

Although franchisors are still mostly involved in traditional fast food operations, a growing number of restaurant chains are emerging to cater to full service, theme and regional food preferences. Chi-Chi's, a Mexican fast food chain experiencing rapid growth, can serve diners within 12 minutes after they are seated.

Other IFA member chains showing strong growth that fit into the new trend description are Bobby Rubino's U.S.A., Inc., a rib restaurant; Flakey Jake's, gourmet hamburgers; Long John Silver's, seafood; and D'Lites of America, which offers low-calorie fast food.

Pizza, an old favorite, is the fastest growing segment of the restaurant business, according to Andrew Kostecka, a franchise expert at the U.S. Department of Commerce. Kostecka's figures show that pizza franchisors grew from 66 in 1978 to 106 by 1982, and that the number of units is still growing. Pizza Hut alone has nearly 2,000 units.

Franchising also seems to allow easier access to international markets. In 1982, the last year for which firm figures are available, there were 57 restaurant franchisors operating 4,657 units in foreign countries. Another 24 plan to expand internationally by 1985. Japan is the largest market for U.S. restaurant franchisors, followed by Canada, Australia and the United Kingdom.

The growth of sushi bars and other Japanese restaurants indicates that franchising obviously works both ways.

Media advertising also can reap results if targeted appropriately. Ads in the business opportunity sections of major local and regional newspapers and business periodicals are often successful.

New franchisors are sometimes tempted to think that the more advertising they do, the better. This is not the case. With a blitz approach, franchisors will probably get numerous inquiries—but many from people who are only curious. With a target approach, the chances of locating truly interested people are significantly increased.

What is the basic way to phrase the ad copy? There is no better source for the strong selling features of a franchise operation than current franchisees. Ask them to share their reasons for buying—whether it's the company's reputation, its training program or some other key benefit.

3. Using a go-between . . .

Some franchising companies use salespeople to sell franchises, but "it's critical that you find the 'right' person for the job," says Ronald McCauley, vice president and director of franchise development for Bojangles, Inc., a chain of fried chicken and biscuit restaurants. McCauley, an experienced franchise executive, points to the following key factors for a good salesperson:

- proven, successful sales background
- ability to project the company's image
- basic product/service knowledge (at Bojangles, prospective sales personnel must spend two to six weeks

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Bruce C. Cotton serves as vice president of public affairs for Jerrico, Inc., a Lexington, Kentucky-based franchising company (Long John Silver's Seafood Shoppes and Jerry's Restaurants). He is a former president of the International Franchise Association, the country's foremost trade association serving franchisors.

operating a store, depending on their experience)

- ability to effectively describe the franchise system
- ability to communicate—accurately—what the company will provide, both initially; i.e., training, operations manual and store opening, and long-term; i.e., ongoing assistance, marketing and product development and testing
- thorough knowledge of the franchise documents
- ability to negotiate without disclosing all the documents
- thorough understanding of the franchisee-franchisor relationship and
- ability to give management accurate and timely information.

Finding the right salesperson may appear to be as difficult as finding the right franchisee. Most franchisors use advertisements in *The Wall Street Journal* (Thursday edition is most popular), local/regional newspapers or in the appropriate trade magazines. Recruitment firms are also used to eliminate the time-consuming chore of initial screening. But, whether you're planning on selling one franchise in a year or 200, the marketing effort requires consistency, good follow-up and a solid presentation.

4. Sending information . . .

Jerrico, Inc., Vice President of Franchising Gene Getchell is in a fairly enviable position. With no aggressive marketing program in process, the company receives about 100 calls a day about Jerry's Restaurants and Long John Silver's Seafood Shoppes. "We market primarily through word of mouth," Getchell says.

But just answering the calls won't do it. Jerrico, like other franchising companies, has developed a standard packet it gives prospects. Jerrico uses a color brochure describing the opportunity, the system, the company's expertise and details about the company. The brochure also describes the restaurants' decor, buildings, the company image, the food and the quality of the combined elements. And, most importantly, it tells the prospective franchisee just exactly what the company will provide in terms of site selection, architectural construction, purchasing systems, advertising, marketing, training and field supervision.

The packet also discusses the cost of opening a franchise. "We're talking about a half acre of prime commercial property and about a $200,000 building just to start. The entire investment ranges from $350,000 to $600,000 depending on where the franchise is located," notes Getchell.

The packet also includes a confidential information form which prospects are asked to complete. It is used to determine financial capability, foodservice or retail background and a willingness to relocate—all important qualities for Jerrico franchisees.

15 questions a franchisor should be prepared to answer

1. What is the product or service? Is it stable, seasonal, new?
2. Who is the franchisor? Is the company experienced, successful, financially strong and reputable?
3. Who are the company's officers and directors? What is their experience and their financial history?
4. What are the trademarks and copyrights? Is there any limitation on use?
5. What is the litigation history?
6. What are the profit projections?
7. What is the cost for a franchise—in terms of initial fees, cash requirements, royalties, service fees, training?
8. What kind of training and start-up aid does the company give?
9. What are the procedures/ limitations of site selection?
10. What are the company's operating practices, assistance procedures and controls?
11. Does the company help with premise and equipment rehabilitation?
12. Who has the right to sell the franchise?
13. How long is the contract term?
14. When can a franchisee terminate a contract?
15. Are there any restrictions on renewal?

5. Selling under the law . . .

One basic rule about selling franchises must be remembered: All aspects of franchise sales are regulated by federal law and the laws of as many as 15 states. The federal law applies to sales in the United States and anywhere in the world if the franchising company is American.

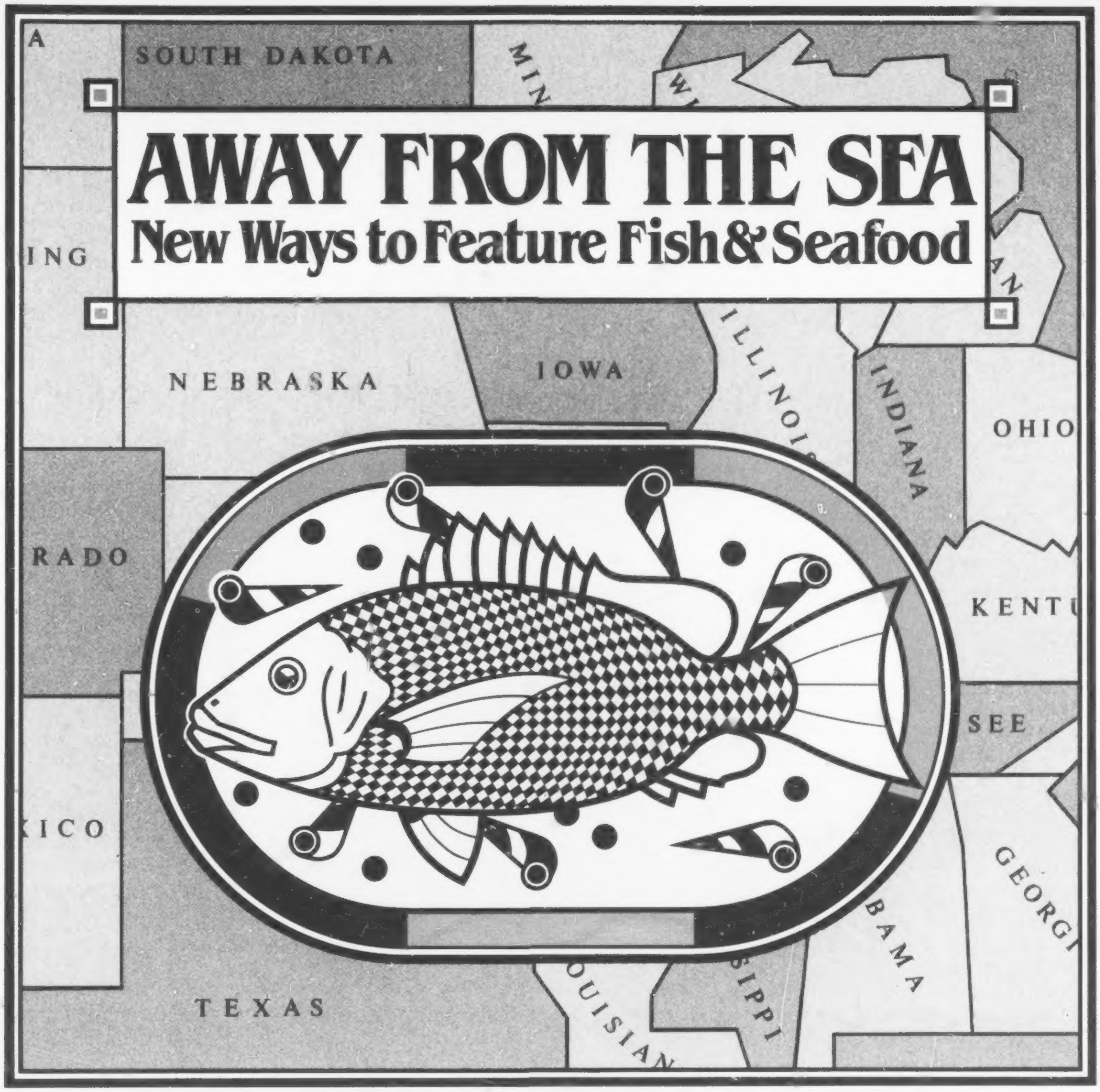
The law requires full disclosure of 20 different categories of information, which must be provided to all prospective franchisees. In the 15 states with registration or disclosure requirements, there are additional requirements. State franchise laws typically require a franchisor to register the offer of a franchise with state authorities and to provide each prospective franchise purchaser with a disclosure statement—variously called an "offering prospectus," "public offering prospectus," "disclosure statement" or "offering circular."

The agency that administers the state's franchise law typically reviews the franchisor's application to register, the proposed disclosure statement, financial statements, franchise advertising materials, information about the persons who will engage in selling the franchise, a copy of the franchise agreement and all other agreements a franchisee must sign to acquire a franchise. "Even after a franchisor is registered, all new advertising material must be submitted for agency review before it can be used in the state," notes IFA General Counsel Andrew A. Caffey.

"State laws give these administrative agencies broad discretionary powers to ask for additional information or to require alteration of the documents to be used in the state. Given the agencies' review powers, it's a good idea to have advertising materials reviewed before they are printed. Changes after printing are expensive," Caffey says.

In sum . . .

Marketing a franchise is many faceted. But even the most sophisticated market research and advertising techniques cannot replace the power of reputation and word-of-mouth recommendations. The key question to ask is: Are customers satisfied with the product and service, and do they say good things about the company? If the answer is "yes" a franchisor is already launched on a successful marketing program. ❑



AWAY FROM THE SEA

New Ways to Feature Fish & Seafood

by Susan Puckett

Even though Jacque and Suzanne Continental Restaurant in Little Rock, AR, is hundreds of miles from the nearest ocean, Paul Bash, chef de cuisine, maintains that on many evenings more than 50 percent of the entrees sold are seafood specialties. Braised salmon, trout with julienned vegetables and linguine with lobster sauce are among his star evening attractions; avocado and shrimp salad and puff pastry filled with cod and mushrooms are luncheon favorites.

Until recently a restaurant's proximity to the shoreline was perhaps the best indicator of the quality and variety of its fish and seafood offerings. Modern technology has made it possible for some 500 different aquatic species to be delivered within 24 hours almost anywhere in the world. Restaurants in landlocked areas, like Jacque and Suzanne Continental Restaurant, net big profits with their "catches of the day." Offering fresh and saltwater delicacies does pose a number of challenges for the inland foodservice operator, however, especially how to whet the appetites of skeptical customers reared on meat-and-potatoes diets. Creative merchandising is often the solution.

"A lot of people are reluctant to believe we can get fresh seafood in the middle of the desert—particularly here at Snowbird, where there's often more than 800 inches of snow outside," says Robert Sullivan, head chef at the Golden Cliff Restaurant at Snowbird Ski and Summer Resort in Snowbird, UT.

Yet, Sullivan says his fish and seafood specialties usually outsell the other selections two to one. He attributes that success largely to the out-of-the-ordinary fish and seafood specials that vary from day to day, depending on what's fresh, seasonal and available.

Snapper Jamaican, a red snapper fillet sauteed with banana, scallion and tomato and flambeed in dark rum, is always a sure fire hit with customers, as is his Broiled Salmon Steaks with Strawberry Beurre Blanc (see recipes). Particularly popular among the skiers is the restaurant's raw bar, which features oysters and clams on the half-shell, sushi, sashimi and ahi tuna flown in from Hawaii.

"We like offering something unique for people who are tired of steak and chicken, although we don't want to be absurd about it," he says. "And people do seem to be a bit more daring when they're on vacation."

Wooing with variety . . .

Gail McMahon, dining room manager of the Grand Concourse Restaurant in Pittsburgh, PA, also believes variety is one of the primary keys to maximizing profits from fish and seafood sales.

"We try to appeal to as many tastes as possible by offering at least one mild-flavored, one medium-flavored and one full-flavored fish entree," she says. "We also try to prepare them in different ways."

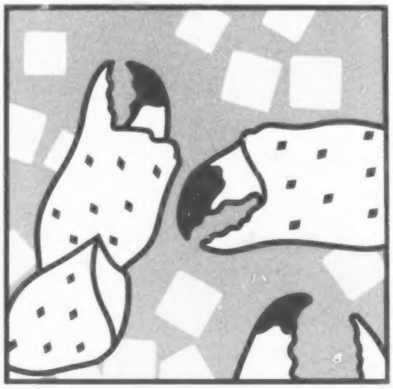
Seafood is often used to complement the restaurant's homemade pasta. One such dish is Pasta Pagliara: sauteed shrimp, scallops, mussels in spinach served in a rich sauce of garlic and herbs over homemade pasta. For those who prefer their fruits of the sea without the embellishments, the restaurant also offers "Charley's Bucket," a feast of steamed lobster, Dungeness crab, mussels, clams, corn on the cob and red-skinned potatoes, served in large buckets, with bowls of lemon water on the side for washing hands.

Mike Luksa, chef at the Yellow Brick Bank in Shepherdstown, WV, also proves that seafood need not be complicated to be both distinctive and popular with customers. Halibut and swordfish are often grilled over mesquite and served with a sweet, roasted red pepper sauce that "really complements the flavor of the fish," Luksa says. Monkfish, sauteed with onions, tomatoes and anchovies, is another simple, yet memorable dish which has fared well with customers. Even individually baked fillets, such as sole and haddock, which are easy to prepare, can have a touch of originality if topped with a special sauce, such as Luksa's homemade black bean sauce.

At La Becasse Restaurant in Burdickville, MI, the fish and seafood specials posted daily on the chalkboard range from the simple to the highly elaborate. Among the easy-to-assemble dishes which win rave reviews from the customers are the fresh trout pan-fried with almonds in butter as well as the Shrimp Pernod: large shrimp sauteed with shallots and scallions in butter, white wine and Pernod and served over steamed rice.

More painstaking efforts are also appreciated, including trout stuffed with scallop mousseline in puff pastry, ravioli filled with salmon mousse and steamed trout wrapped in lettuce leaves with lobster sauce.

Although some of the freshwater items can be purchased locally, owner Mary Ann O'Neill spends much of her time traveling long distances to handselect seafood and other species foreign to Lake Michigan.



Nearly all the fish and seafood served at her restaurant is purchased fresh, O'Neill says. "I feel very strongly about that. We just don't believe you can ever get the right texture again once fish has been frozen."

The one exception, she says, is shrimp, which, because of its firm flesh, is less likely to deteriorate than other species if frozen properly.

Supplementing with frozen fish . . .

Many chefs, however, believe that there are other fish forms that freeze just as well.

"People have a real hang-up about fish that has been frozen," says Paul Bash. "We don't use exclusively fresh or frozen here. It all depends on the type of fish, how it has been frozen and how it is to be used."

He adds, in fact, that "in some instances, I would much prefer to serve fish that has been flash-frozen immediately after it has been caught than a fresh product that has sat on the boat for several days before it is delivered."

Firmer-fleshed fish, such as swordfish and squid, generally freeze better than those with more delicate textures, such as red snapper or Dover sole, several chefs noted.

Because of its high degree of perishability, fish and seafood—whether fresh or frozen—should always be handled with extra care and stored properly. Fresh fish should be wrapped airtight and refrigerated at about 32 degrees F. at all times and cooked within one or two days after purchase. Frozen products should be stored in the freezer immediately in their original airtight package. If stored at 0 degrees or below, they'll retain their quality for several months.

Frozen products may be thawed in the refrigerator—24 to 36 hours for a one-pound package, and 48-72 hours for a five-pound package. Or, they may be placed under cold running water—although the refrigerator method usually produces more satisfactory results. It is unsafe, however, to ever thaw fish at room temperature.

Supplementing their menus with some frozen products enables inland foodservice operators in particular to both broaden their menu offerings and cut expenses. It also can help them afford the extra cost of transportation as well as a few higher-priced luxury items.

Trimming dollars . . .

Another way restaurateurs can trim dollars from their budgets without sacrificing quality is by finding uses for other less expensive items, such as broken shrimp and fish pieces. While they may be visually unacceptable in some dishes, they work just as well as the whole product in mixtures such as soups, salads, terrines and mousses.

Being knowledgeable about the flavors and textures of different species is also helpful in making wise purchasing decisions. If, for example, a recipe calls for a particular type of fish, which is out of season or beyond your price range, another species may be used in its place provided it is of similar flesh texture, thickness, color, form and flavor. The characteristics won't be identical, however, so some experimentation in the kitchen may be necessary to ensure best results.

It's also important that customers be informed of any such substitutions and told truthfully whether a fish is fresh or frozen, should they ask.

"We find that people don't mind honesty," says Mike Luksa.

How the cost of fish and its transportation affects menu prices varies. Paul Bash finds that "there are some items people are always going to order, in spite of the high cost, such as fresh scallops, lobster, swordfish and Dover sole."

Other dishes may require an introduction. According to Robert Sullivan, it sometimes makes good sense to charge less for a popular novelty item, such as fresh ahi tuna, in order to attract repeat orders. Promotions and creative menus also can help assuage customer fears of the unknown.

Providing information . . .

According to the National Fisheries Institute in Washington, DC, many people who shy away from seafood items if the listing is dull and non-descriptive may be inclined to give it a try, if the menu provides specific details describing its texture, flavor, form of preparation and accompaniments. To improve customer perceptions of the items, the institute suggests using colorful, descriptive phrases, labeling house specialties in distinctive, display type, putting boxes around a selection to call attention to it or using clip-ons for favorite, special dishes.

Mike Luksa finds educated servers can also be quite persuasive. "We always let the waiters and waitresses try the different seafood items themselves, so they can feel very confident about what they're selling," he says. It also helps if the staff is prepared to answer such questions as where the fish came from, what it tastes like and how it was prepared, adds Robert Sullivan.

Some restaurants find they can reel in additional customers with a seafood specialty night. Saladalley, a chain of salad bar restaurants in Philadelphia, PA, and its surrounding suburbs, has boosted business by offering a salad bar on weekends, which features all-you-can-eat boiled shrimp as well as an array of imaginative seafood salads: clam fettucini salad, pickled herring salad, fresh-cut smoked whitefish, lump crabmeat salad, tuna-rice salad and haddock salad (see recipe).

"Because salad bar items aren't a part of the regular menu, employees are encouraged to mention them to customers at their tables and at the cash register as they leave," says Amy Potterfield, head manager of the Ardmore Saladalley. They also advertise the weekend special by running discount coupons in the local newspapers.

The seafood salads have proven so popular, Potterfield says, that the restaurant now includes them as part of their Sunday brunch salad bar as well, which features fresh fruit, bagels and cream cheeses.

Serving with a flourish . . .

To make the seafood dining experience as pleasurable as possible, special attention should be given to the final presentation. Garnishes that are particularly effective in adding contrast, flavor and eye appeal to fish and seafood entrees include lemon

Purchasing tips for quality products

To be able to determine whether or not they've gotten quality fish, chefs must know how to check the products once they arrive. Fresh fish should have clear, bright eyes, a mild smell, clean, red, bright-colored gills and shiny scales, which hold tightly to the skin. The flesh should be firm, elastic and free of slime.

Frozen fish should show no signs of dehydration or thawing and refreezing. Packages should be frozen solid and free of frost and ice crystals on the inside and out; discolored or white patches could be signs of freezer burn. Frozen products should smell fresh; a stronger odor indicates rancidity from product mishandling.

Live lobsters, clams and mussels should be holding their shells tightly together. Shrimp and other shellfish, at their peak of freshness, will be firm and bounce back when pressed with the thumb.

Besides checking for quality, operators often weigh the fish upon arrival and, if it's frozen, they weigh it after it thaws as well. Chefs sometimes discover they've gotten considerably less than what they've paid for because fish is sometimes sprayed with an excessive amount of water before freezing.

If for any reason a chef is dissatisfied, he shouldn't hesitate to let the purveyor know it. "Sometimes, it isn't necessarily their fault—but the fault of their suppliers," says Paul Bash, chef de cuisine of Jacques and Suzanne's Continental Restaurant in Little Rock, AR. "But unless we, as the final consumers, complain, the purveyor may never know he's been taken."

Bash chooses his suppliers largely on the basis of word-of-mouth reputation. Many chefs and restaurateurs like himself, he explains, handle their business dealings with suppliers on the premise that "if you do me well, I will speak well for you in return."

Robert Sullivan, head chef at the Golden Cliff Restaurant at Snowbird Ski and Summer Resort in Snowbird, UT, believes purveyors should not only have integrity but a good rapport with the airlines as well. "It isn't uncommon for seafood to get bumped to put another passenger on," he cautions. Last New Year's Eve, for example, the $4,000 worth of seafood he had ordered for a $140-per-couple dinner got left behind in the Minneapolis airport because the flight had been overbooked. Fortunately, with some finagling, he was able to put the seafood on another flight, and it arrived in top condition with little delay. "But it was quite a scramble," he adds.

Although he has dealt with a dozen or so different purveyors at one time or another, Sullivan now relies on two or three to get him good deals on fish and seafood flown in several times a week from all over the world.

crowns, sliced avocados, frozen grape clusters, asparagus in phyllode, cherry tomatoes stuffed with cottage cheese, broiled peach halves, deep-fried mushrooms and chopped watercress.

For a more dramatic effect, chefs or wait help can display some showmanship by boning, flaming or saucing a seafood specialty item at the table. If the dish is served *en papillote*, the cooking bag can be burst before the customer's eyes, allowing the aromas to waft through the air.

Mike Luksa offers a special hint for serving fresh fish with a sauce. "Set the fish on top of the sauce—rather than under it. It's more attractive that way and by not covering it up the customers know they're getting the real thing." ❑

10 serving ideas

Foodservice operators are learning they can land bigger profits with fish and seafood by offering a wider variety of selections. It makes the dining experience more enjoyable and interesting for the seafood patron, and, according to the National Fisheries Institute in Washington, DC, restaurants that prepare fish in a variety of ways are perceived to have better quality fish than those that only deep-fry.

Here are some menu ideas to consider:

1. **Sweet and sour fillets:** Bread red snapper, halibut or salmon fillets and brown in skillet with hot oil. Remove from skillet. Add onions and saute until tender. Place fillets back in skillet, top with onions and cook with vinegar until done.
2. **Seafood paella:** Add raw shrimp, clams in their shells and other seafood, if desired, to a baked casserole of saffron rice, chicken, peas, sweet red peppers and Spanish sausage. Cover and bake about 10 minutes at 350° F.
3. **Ceviche:** Pickle scallops or any lean fish with lemon or lime juice, herbs and spices. Serve as an appetizer.
4. **Shark Parmesan:** Coat shark fillets with lightly-seasoned Parmesan cheese breading. Fry until golden brown.
5. **Crab imperial:** Combine crabmeat with heavy cream, mayonnaise, green pepper and spices. Bake until bubbly.
6. **Smoked fish quiche:** Drain and flake smoked fish. Combine with cheddar cheese and place in pastry crust. Cover with tomato slices marinated in French dressing, beaten eggs, pinch of nutmeg. Bake until custard is set.
7. **Dilled shrimp in the shell:** Simmer unshelled shrimp in beer broth and serve with butter that has been seasoned with dill or sherry and garlic.
8. **Cod pocket sandwich:** Stuff pita bread with cod fillets, alfalfa sprouts and cucumber and yogurt dressing.
9. **Barbecued salmon steaks:** Marinate salmon steaks in rose wine, marjoram, onion powder and pepper for several hours, turning twice. Drain well. Cook on grill for five minutes per side or until done.
10. **Seafood finger foods:** Marinate squid rings, crab fingers or oysters on the half-shell for a cold buffet. Serve clam strips or crabmeat on potato skins for hot buffet.

Snapper Jamaican

7-ounce snapper fillet
¾ sliced banana
⅓ cup diced green onion
1 medium ripe tomato, cut up
¼ lemon
white wine
¼ cup Myers dark rum

Place fillet in baking pan with banana, onion and tomato strewn over top. Squeeze lemon juice over fillets and splash with wine. Bake at 350 degrees for about 12 minutes, until fish flakes easily with fork.

While baking pan is still hot, pour rum into pan and ignite with match. After the flame subsides, return to oven or place under broiler for about 45 seconds. Remove fillets to plate with spatula, and spoon mixture in pan over the fillet. Makes one serving.

—Courtesy of Golden Cliff Restaurant, Snowbird, UT

Haddock salad

5 pounds haddock
2 teaspoons salt
4 cups white wine
3 tablespoons thyme
1 cup mayonnaise
½ cup Pommery mustard
2 tablespoons Dijon mustard

Poach fish: Bring water to full boil in covered pot; uncover, reduce heat to simmer. Add wine, two teaspoons salt and two tablespoons thyme. Add fish. Cook 15 minutes, until fish is flaky. Do not overcook. Remove fish from water and refrigerate immediately.

Combine mayonnaise, remaining tablespoon thyme and mustards. Add to fish when chilled. Mix well. Makes one gallon.

—Courtesy of Saladalley Restaurants, Philadelphia, PA

Broiled salmon steaks with strawberry beurre blanc

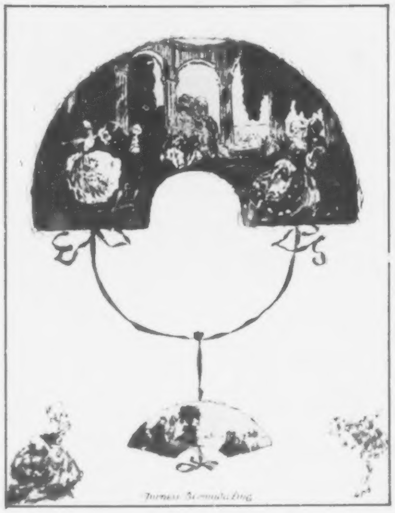
7-ounce salmon steak or fillet
¼ lemon
fresh or dried dill weed
⅓ cup honey
¼ pound butter or margarine
6-8 fresh strawberries, sliced
¼ apple cider vinegar or white vinegar
1 tablespoon sugar

Squeeze lemon juice over top of fillet. Sprinkle with dill. Baste with honey while cooking over charcoal, about three minutes per side. Remove fillet and top with generous portion of beurre blanc just before serving so that it melts on the way to the dinner table. Makes one serving.

For the beurre blanc: Soften butter at room temperature. Saute butter with vinegar, sugar and a hint of honey until most of the liquid has boiled off. Mix strawberries into butter. Butter can be left at room temperature within ½ hour before serving time. It can also be rolled in waxed paper and refrigerated or frozen for future use.

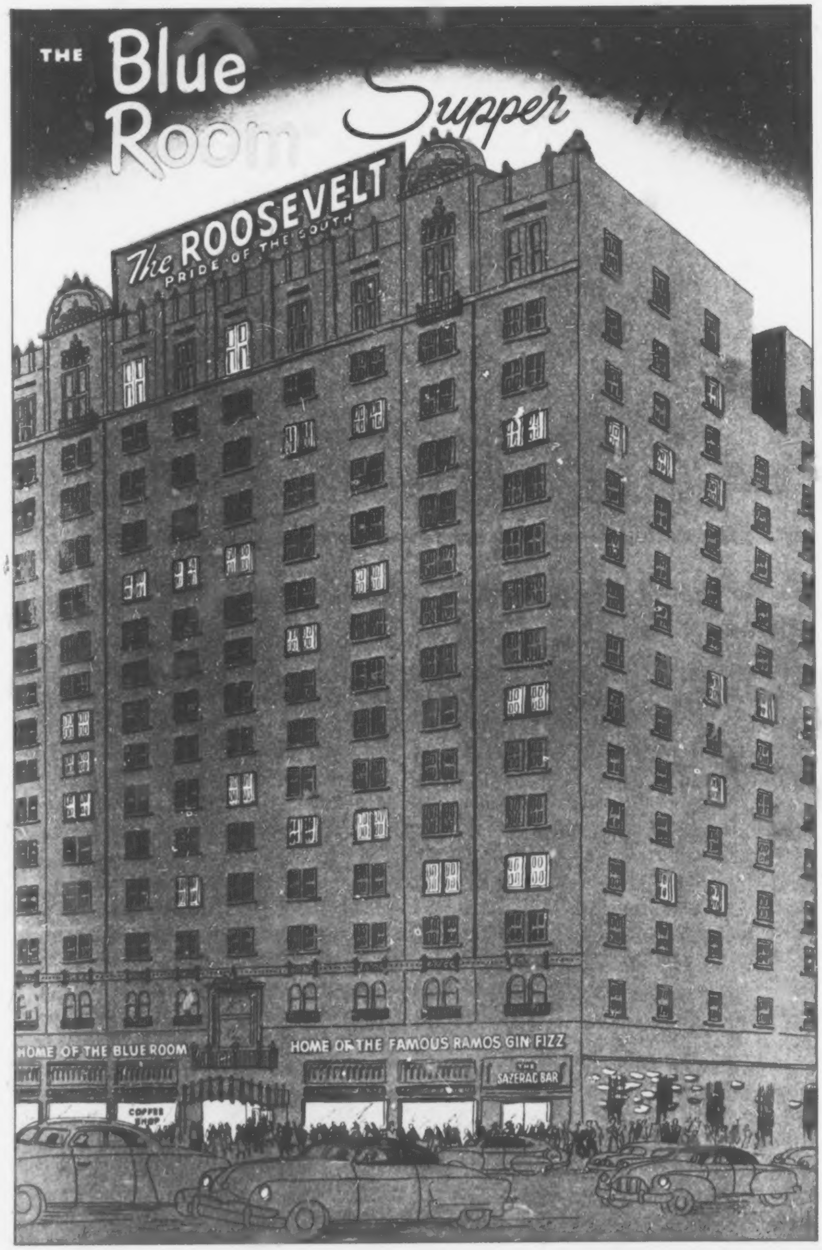
Note: Salmon may also be steamed, braised or baked for this recipe.

—Courtesy of Golden Cliff Restaurant, Snowbird, UT



Menus:

A piece of culinary history



On the table a menu is a restaurant's sales tool. Away from the establishment, a menu becomes a piece of culinary history, encapsulating the food preferences of a particular time and place.

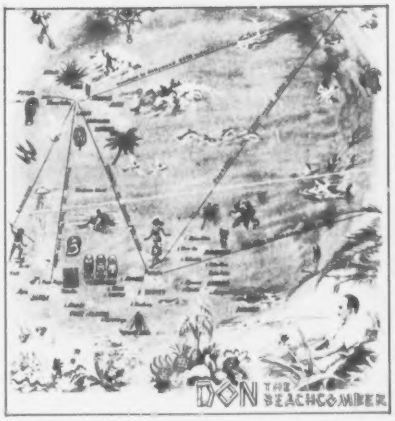
That's why customers, operators and historians collect menus and occasionally pass them on to libraries for safekeeping. This summer the NRA library added to its own collection of menu history, thanks to Iowa State University's generous donation of more than 200 vintage menus.

These menus span three decades (40s, 50s and 60s) and represent operations from coast to coast. They cover upscale restaurants as well as carryout establishments. The Russian Tea Room in New York City is represented and so is a coffee shop menu from Gulfport, Mississippi. Hotel restaurants are especially well represented from Butte, Montana to Chicago, Illinois. There are foreign menus, specialty menus, menus from retail establishments, menus from cruise ships and airline menus.

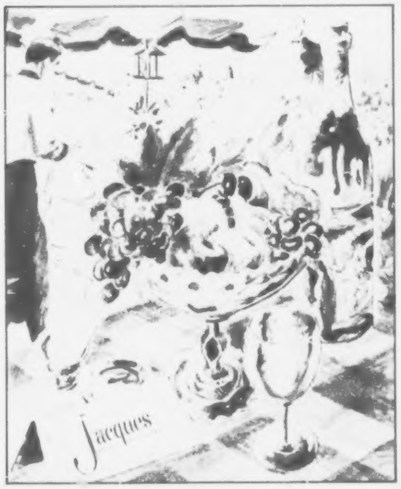
Some establishments are tracked over time with two or more menus nearly a decade apart. For example, Bookbinder's in Philadelphia, PA, is represented twice in the sample—once in 1958 and again in 1971. It is here that one can see most clearly how the passage of time shapes a restaurant's offerings. The 1971 menu has more appetizers, more specialties, more selections in general than does the 1958 menu, indicating that customers in the 70s were more confident or desirous of making their own choices. But in 1971, the restaurant's trademark dishes are still very much in evidence, such as the snapper soup—suggesting that outstanding dishes have an enduring quality.

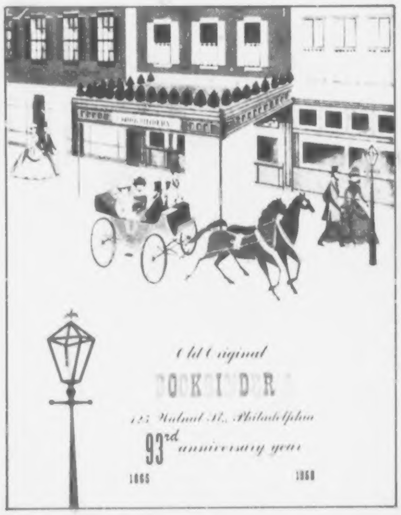
Bookbinder's menu changes are repeated in other menus as well. In general, diners of the 1940s and 1950s were less adventurous, less inclined to experimentation. Most entrees included all the fixings—from appetizers to desserts—leaving little to the discretion of the diner. The presentations were straightforward. Grilled items were especially popular as were salads, roasts and ice cream desserts.

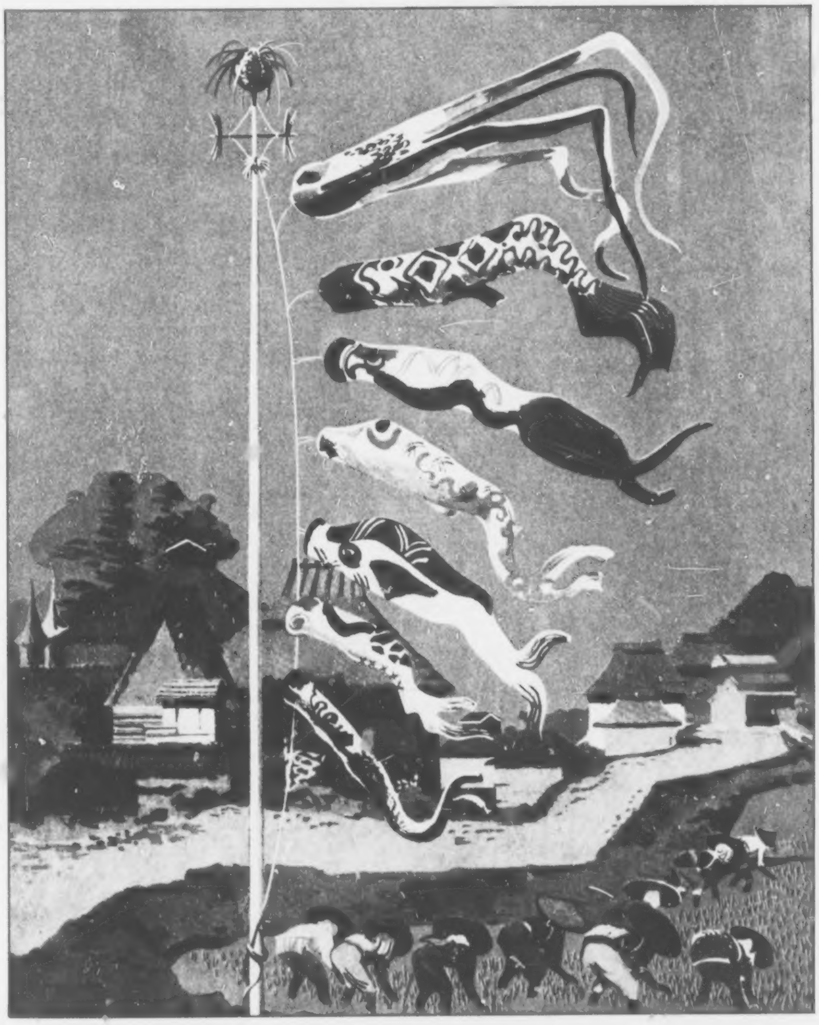
Item descriptions echoed the simplicity of the presentations, charming the patron with their straightforwardness. On one menu, "Chicken Tomato" was matter-of-factly described as "tender chicken cooked with fresh tomatoes." Even the look of the menus was much less elaborate. There are few menus with coated paper in the sample, few typeset menus, and few theme menus

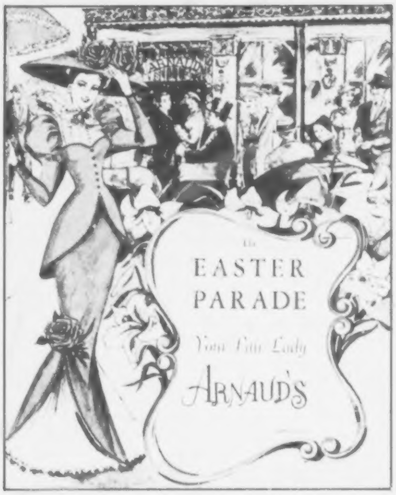

DON THE BEACHCOMBER

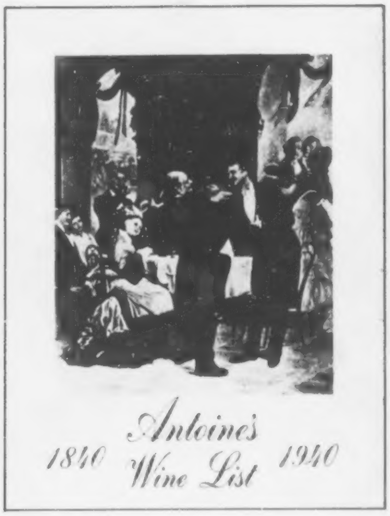
English Room
Company

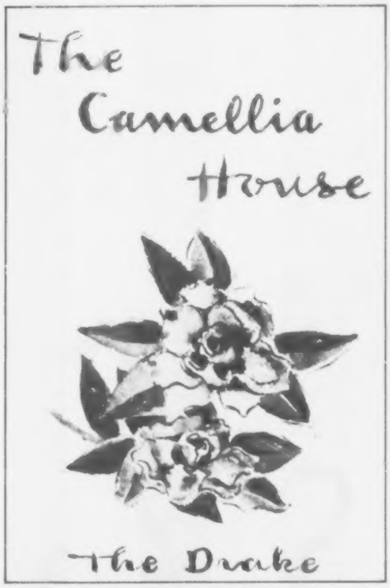


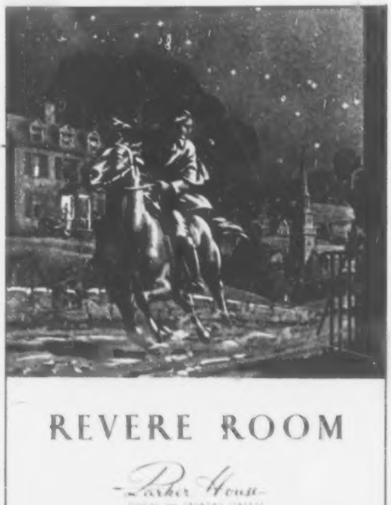

Old Original
BOOKBINDER'S
125 Walnut St., Philadelphia
93rd anniversary year
1865
1958

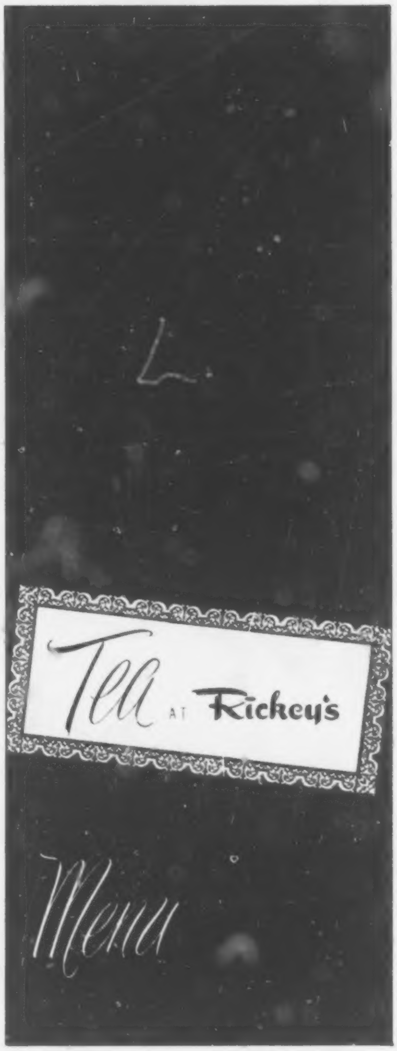












with elaborate drawings. There are some menus with motifs, but the few in the sample are regional in nature. On the East Coast there are some bows to colonial history. On the West Coast, the western motif is in evidence. Foreign traditions, except for French—which clearly represented the culinary standard of excellence—are noticeably absent. When an establishment sought to add a bit of foreign flavor, it tended toward two dishes—chow mein and spaghetti.

This simplicity was not without its merchandising appeal, however. Most diners of the 1940s and 1950s knew exactly what they were getting. In general the menus are easy to read. Many whet the taste buds with such descriptions as this one for a half baked chicken: "Juicy and plump half broiler, oven roasted, crispy and tender, buttered squash, green beans." And they unabashedly boasted about "man-sized portions."

That is not to say that the menus all look alike. They don't. Just as today, those in years past come in all sizes and shapes. Some are elegant, some whimsical, some homespun and some fashion conscious. They sport clip-ons, feature specials and occasionally entertain the reader with a bit of restaurant history. Regional specialties are often in evidence, showing the roots of American Regional Cuisine in family-style establishments from Hawaii to Connecticut.

In short, the menus from Iowa State University preserve a bit of foodservice history and dining traditions, reminding operators of days when they could offer a tuna sandwich for 50 cents and an ice cream sundae for a quarter. ❑

COMPLAINT HANDLING WITHOUT EMBARRASSMENT

Complaint handling by operators and their staff can have a lasting effect on restaurant business. How guests feel when they leave an establishment will affect not only their decision to come back but what is said to others about the operation. When guests have a bad experience at a restaurant, they will tell two and one-half times more people than they would have had the experience been a good one. Many complaints at first glance can have that "no win" feeling. However, quick and proper handling of such matters can provide a happy ending. Here is a basic 10-step program for complaint handling without embarrassment to the guest or the establishment.

1. **Gather information.** Get as much information as possible from the hourly employees involved. Be sure to encourage honesty by approaching them calmly. Be a good listener.

2. **Get to the table quickly.** The faster you act, the less likely the problem will grow in importance. A quick response tells your guests you are concerned. Often a guest merely wants to see management at his or her tableside to be assured that the complaint has been taken seriously.

3. **Introduce yourself.** Be professional. Once you get to the table, introduce yourself. Include your title and present a business card. Be sure your manner is humble and not overly aggressive. Do not rush to the table demanding, "What's the problem here?"

4. **Listen.** Listen to your guest. Be concerned and show it. Be sure you are paying attention to the problem and not planning a rebuttal.

5. **Restate the problem to the guest.** This is done to ensure your total understanding. If employees are involved, understand the problem from both points of view. Be in control by knowing or envisioning the solution to the problem.

6. **What is the guest's solution?** How would your guest like to see the situation handled? Many operators will hand the ball back to the guest by asking, "What may we do to make it right?" The guest often suggests a simpler solution than the one management had in mind.

7. **Take the guest's side.** Needless to say, "The customer is always right." Offer no excuses, regardless of the operational problems you may be experiencing. Be genuinely concerned. And don't forget to smile.

8. **Take corrective action.** Confer with the guest and establish what you are going to do and when.

9. **Follow up.** The act of following up shows professionalism and genuine concern. Follow up often determines if the guest leaves satisfied.

10. **Resell your operation.** How the complaint is handled will have a great effect on how your customer will ultimately feel about your operation. Be sure the ordeal ends on a positive note. There should be no doubt in the guest's mind that he or she has been taken care of and satisfied. In many instances where this is not possible—such as discovering that there was a problem only as the guest is leaving—management should step in and provide some reason for the guest to return. In such a situation, management should present a business card and say, "Please ask for me when you come back, and I'll personally take care of you." What is even more impressive is offering a certificate for a complimentary meal or meals with your business card and invitation to return. Say, "Let us show you what we're trying to accomplish in our service and food."

This approach has been known to work very well in getting customers to come back. Repeat business is, after all, the key to success in the restaurant industry. This means no dissatisfied customers should leave your establishment until some corrective steps have been taken. All your patrons should have good reason to return. ❑

—Aaron Donatello

STATE DEPARTMENT

California Restaurant Association meets olympic challenge

As the Olympic athletes prepared to vie for medals, the Southern California foodservice industry got in shape for another gold-medal challenge—meeting the dining needs of thousands of athletes and tourists during the XXIII Olympiad in Los Angeles, CA, last month. Heading the effort was the California Restaurant Association (CRA) with its tailor-made "Hospitality Program."

At the heart of the program was a pledge to demonstrate the industry's integrity to Southern California visitors. Fair prices, customary portions, quality food and efficient, hospitable service—in short, business as usual.

Beyond the obvious demands on service due to the potentially vast increase in customer traffic—as many as 625,000 hungry tourists and nearly 60,000 additional meals a day for athletes, coaches and officials—CRA anticipated that restaurateurs would be confronted with such unusual situations as foreign language communication, foreign currencies, customers unaccustomed to gratuities, delayed deliveries due to traffic congestion and rerouting and culinary preferences other than those considered traditionally American.

In order to aid restaurateurs in successfully meeting this kaleidoscopic challenge, the association launched its program. Beginning in March 1984, five monthly "Olympic Alert" newsletters were published. They contained answers to anticipated questions and a gamut of helpful information from currency conversion to Olympic game times and locations. Program participants also received the official hospitality pledge display, T-shirts, banners, self-adhesive logos and logo badges, designed to identify Southern California's "gracious host restaurants" to the public.

Because the CRA plan was the first of its kind, the association was concerned with establishing a format for industry responses to future Olympic games. To enhance the program's effectiveness, CRA surveyed program participants. Although the results are still being compiled, the benefits are already clear.

Judy Shane, CRA director of operations, noted that the program was the "first major CRA venture into the public relations arena on behalf of the industry." More than 500 CRA members and nonmembers took advantage of the program.

—Shannon Tuel

Tons of calories for the olympians

According to ARA Services, Inc., the official manager of athlete foodservices for the XXIII Olympiad, the major challenge of feeding 7,000 athletes from 140 nations was creating a broadly based international menu to suit all participants—from tiny gymnasts, who consume few calories, to weightlifters and track competitors, who consume large amounts of caloric foods. The company also took into account regional tastes and preferences. But instead of coming up with 140 different menus, ARA Services came up with only one that offered a choice of two soups, 14 salads, four hot entrees, five vegetables, 24 bread items, a wide variety of domestic and international cheeses and 21 beverages.

What does this menu translate into quantities? Here is a breakdown of company estimates.

Fresh vegetables
Cherry Tomatoes—26 tons
Whole Tomatoes—26,250 lbs.
Mushroom Slices—22,100 lbs.
Iceberg Lettuce—14,200 lbs.
Romaine Lettuce—12,000 lbs.
White Onions—7,500 lbs.
Avocado Slices—4,420 lbs.
Cauliflower Buds—4,400 lbs.
Cucumber Slices—4,400 lbs.
Radish Slices—2,200 lbs.
Alfalfa Sprouts—1,382 lbs.

Fresh fruits
Bananas—136 tons
Table Grapes—118,030 lbs.
Plums—110,733 lbs.
Peaches—109,286 lbs.
Grapefruit—81,965 lbs.
Mangoes—81,965 lbs.
Nectarines—54,643 lbs.
Strawberries—24,900 lbs.
Pineapples—16,084 lbs.
Apples—9,315 lbs.

Grains and pastas
Rice—app. 10 tons
Enriched Egg Noodles—6,100 lbs.
Linguini—3,000 lbs.

Meats
T-bone Steaks—app. 22 tons
Ground Beef Steak—24,292 lbs.
Tenderloin (Filet Mignon)—22,150 lbs.
Beef Rib Roast—19,338 lbs.
Leg of Lamb—30,011 lbs.
Boneless Loin of Pork—14,324 lbs.
Sausage—20,100 lbs.

Fish
Lobster—app. 6 tons
Salmon Steaks—11,603 lbs.
Halibut—7,096 lbs.
Jumbo Shrimp—6,300 lbs.

Dried fruit and nuts
Shelled Walnuts—app. 1 ton
Sunflower Seeds—1,580 lbs.
Raisins—270 lbs.
Figs—100 lbs.
Pitted Dates—100 lbs.

Dairy foods
Milk—1.32 million 8-oz. cartons
Chocolate Milk—233,400 8-oz. cartons
Eggs—7,180 doz.
Cheddar Cheese—2,350 lbs.
Gouda Cheese—2,320 lbs.
Brie Cheese—1,740 lbs.
Cottage Cheese—1,720 lbs.
Bleu Cheese Dressing—557 cases ❑

—Washington Times

Fisher's Law 55*

"A woman's place is . . ."

There are more working women in America today than at any time in the nation's history. This fact has profound social, political, economic, cultural, organizational and behavioral implications. One of the business effects of the evolution is the rightful ascendancy of more and more women into the managerial ranks. These achievements have not always come easily, but it would be a mistake to think that they have *only* come about as the result of feminine militancy and adversary posturing. Many people don't realize, for example, that among the strongest proponents of "women's rights" are fathers who have daughters.

In the work environment, there can occasionally be uncertainty and even discomfort existing between and among male and female management personnel. One of the causes is the confusion and blurring of roles inculcated in people for cultural and social purposes, on the one hand, and the organizational behavioral role demanded of managers, on the other. Here are some examples with recommendations.

1. Most of us have had the experience in the business world of meeting a member of the opposite sex for the first time or seeing him/her after a period of lapsed time. One party may start the right hand forward for a handshake, but not observing a similar movement in the other person, pulls it back. The second party, witnessing the movement, then starts, slightly late, to extend a hand forward; but since the first party is in the "withdrawal" stage, the second person also quickly withdraws to avoid the "embarrassment" of having an unclasped hand "hanging out there." One of life's little awkward moments!

Culturally and socially, many women have been indoctrinated that initiating a handshake is considered "forward," "aggressive," "masculine" or "unladylike." This is changing, fortunately, but there are still vestiges of it, particularly with women re-entering the work force after considerable absence and with young women entering the work force for the first time. In such circumstances, a high anxiety level is perfectly normal.

Recommendation: In the business world, we all know that the handshake is the accepted form of greeting. Either party can initiate it. Ladies, don't worry about being perceived as being overly aggressive. Targeted, controlled and focused aggressiveness in the business environment is considered a virtue. However, such aggressiveness at the same intensity level in a social situation may be considered by some as being "gauche," or socially inappropriate. As my daughter says, "In business situations, we women have to come to grips with the handshake."

Two caveats, however, are applicable to both men and women. First, when meeting someone of the opposite sex for the first time in a business setting, don't use a two-handed handshake. It can send wrong signals. Second, when seeing a known member of the opposite sex after a period of absence, don't buss. That blurs the professional management role with the social role. You don't need those complications.

2. It's been our experience in the business milieu, that some women, upon reaching a closed door, such as an office door or car door, will wait and look expectantly to a man to open it. On the other side, we've observed some men awkwardly rushing to get to the door first so they can open it for the female who is approaching in order to display cultivated manners, no doubt.

Recommendation: In the *business environment*, please, the first person to get to the door, open it. In a *social environment*, do whatever is most comfortable for you.

"A woman's place is . . . anywhere she aspires for it to be."

3. A similar circumstance happens occasionally when a businesswoman drops something, such as a paper or pencil. Some women will turn to a man expectantly, anticipating that he will pick up the article. I once saw this happen in an office. The woman hesitated ("oh dear"), and two men literally bumped heads attempting to pick up the scattered papers. Amazing!

Recommendation: In the *business environment*, please, if you drop something, and you are able to, (arms not loaded with other things, etc.) pick it up!

There are two other "sensitivities" that perhaps you have experienced

Ladies, don't use abusive language as an "acceptance" mechanism with men. It degrades you and them. Gentlemen, don't use abusive language in the presence of women. It's really not macho, and it can be inflammatory when rationality may be what's needed.

Ladies, don't intrude on a heated male discussion. The social role in which you have been indoctrinated—i.e., the peacemaker, the comforter, the soother—may not be appreciated in the business setting when men choose to vent their emotions. Let them vent. It may be better in the long run for everyone.

In sum, things work best in the business setting when men and women do not rely on traditional encultured roles imposed by outdated societal values but rather follow accepted business mores.

With respect to women in the work force, Fisher's 55th Law applies: **A woman's place is . . . anywhere she aspires for it to be!**

* In collaboration with Yvonne F. Fisher and Suzanne E. Fisher.

How to respond to customers with diabetes, hypertension or kidney ailments

Most patrons enter a restaurant with a list of expectations, interests and demands. For some, however, these demands are vital: These are those patrons whose health depends on special dietary needs.

Three chronic health problems that demand dietary management are diabetes, hypertension (high blood pressure) and kidney disease. Large numbers of Americans are affected by these ailments. Recent estimates suggest 12 million people are diabetic, 60 million are hypertensive and 80,000 are afflicted with kidney disease.

These numbers indicate that the chances of having customers with specific dietary requirements visit your restaurant are not that remote. Here are some pointers to help you respond to these special dietary needs.

Diabetics require consistent amounts of healthy foods . . .

Diabetics follow a diet that is nutritionally adequate and consistent in amount and timing. Because of their lack of insulin, a hormone necessary for proper metabolism, diabetics can't afford the luxury of excess.

Most diabetics follow a diet plan prepared by a health professional that has been tailored to meet their individual needs. But, generally, menu selections can be comfortably made from

- fat-free preparations of lean meat, poultry or fish, such as grilled, broiled, baked and so forth
- entrees that allow for the sauce or gravy to be served on the side
- high-fiber, whole grain breads, crackers or muffins
- ready-to-eat cereal that is not presweetened and generally low in sugar content
- raw or cooked vegetables that use herbs or spices for seasonings in place of fat
- fresh fruit or canned fruit packed in its own juice (syrup packed fruit should be rinsed with water before serving) and
- low-sugar desserts, such as angel food cake, fresh fruit, sponge cake, a scoop of ice cream or sherbet.

Because timing and consistent amounts of food are critical for the diabetic, a breadbasket with a selection of crackers, breadsticks or baked goods should be available in cases of delay of service.

Hypertensive individuals are concerned about salt . . .

Although there is not direct correlation between sodium and high blood pressure, reduced sodium intake can alleviate the hypertensive condition without drug therapy and most doctors recommend salt reductions for their hypertensive patients.

For those restaurant patrons who are following a sodium-restricted diet, consider the following:

- Processing of any kind usually involves the addition of sodium. Keep this in mind when using *any* canned or processed product. Use as much fresh fruits and vegetables as possible as well as sweet (unsalted) butter.
- Many condiments contain large amounts of sodium. These include barbecue sauce, bouillion cubes, catsup, chili sauce, hot sauce, MSG, meat extracts and tenderizers, mustards, olives, relishes, sauerkraut and Worcestershire sauce as well as herb salts, such as garlic salt or onion salt.
- Commercially baked products generally contain more sodium than those "made from scratch."
- Most "instant" products generally have larger amounts of sodium.
- Processed meats, bacon, bologna sausage and frankfurters are high in sodium content.
- Some club soda, sparkling spring water and mineral water contain salt.
- Cheeses and cheese products are very high in sodium.

Kidney sufferers watch mineral intakes . . .

Individuals suffering from kidney disease are concerned with maintaining a balance of body fluids to minimize the buildup of waste products in their systems. Thus sodium levels are also of concern to these patrons.

There are other restrictions as well. Because of the kidney's reduced capacity, potassium excretion is severely diminished, resulting in a buildup of the mineral which can have lethal effects on the heart and other organs.

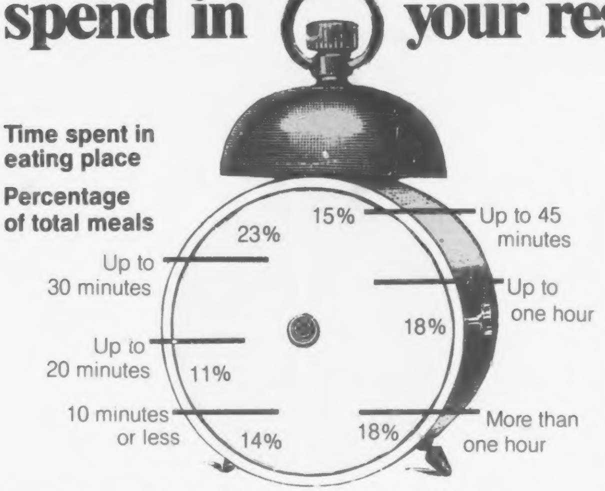
For this reason foods rich in potassium, such as bananas, cantaloupe, honeydew melon, prunes, raisins and white potatoes, should be avoided. Orange, grapefruit and tomato juices are also restricted. Thus, kidney patients may request rice (which is lower in potassium than a potato) and cranberry or apple juice in place of citrus juices. They may also question service staff about preparation methods and specific ingredients used. Because fluid intake is also severely restricted, these customers may request that the water glass be removed or that coffee cups be only half filled to avoid the temptation to drink too much liquid.

Afterword . . .

The science of nutrition is dynamic in nature. Dietary recommendations may change as research uncovers other links between food intake and health. For example, there is currently much interest in the interaction of particular carbohydrates and fiber with diabetes and the effect of calcium and potassium deficiencies in hypertension. That is why if you are in doubt about a specific dietary need you should always ask your customer to identify restricted foods or methods of preparation. The more knowledgeable you are about what your customers need, the more apt you are to please your diners and build repeat business.

—Karen Sherwood, R.D.

How much time do customers spend in your restaurant?



Source: *Gallup Monthly Monitor of Eating Away From Home*, March 1984

Timing is one of the most crucial elements in restaurant planning and no where is it more important than in customer turnover. Preparing the right number of meals at the right time and fine tuning staff requirements both depend on a precise understanding of your customer dining habits.

To give operators an idea of the amount of time patrons spend in restaurants, NRA included a question on time spent in a restaurant in the March *Gallup Monthly Monitor of Eating Away From Home*.

Respondents were asked to estimate the total amount of time they spent in a restaurant for each meal eaten out on the previous day. Specifically, consumers were asked, "Altogether—from when you entered until you left—about how much time did you spend at the eating place where you had (meal)?"*

According to the study, almost two-thirds of the total meals were eaten in less than an hour. Thirty minutes was the most popular amount of time spent on dining out and accounted for almost a quarter of the total meal occasions.

Diners spent up to one hour in restaurants for approximately one-third of the meals, with equal proportions of the meals taking one hour (18 percent) or more than one hour (18 percent).

Women spend more time in restaurants . . .

According to the Gallup study, women seem to spend more time when dining out than men do. For instance, four in 10 women reported they spent an hour or more dining out, while only a third of the male respondents spent the same amount of time. Along the same lines, more men—26 percent—reported spending 20 minutes or less to visit a restaurant compared with slightly fewer female respondents—23 percent.

Eating out patterns vary significantly, however, between working and non-working women. For example, working women are much more likely to make a quick stop (probably for take-out food) at a restaurant than non-working women. Almost one in five working women said her restaurant visit the previous day took 10 minutes or less, versus only six percent of the non-working women. This suggests working women place a high value on convenience and are more apt to purchase take-out items than non-working women.

Time spent by age groups

	Age Groups				
Time spent in eating place	18 to 24 year olds	25 to 34 year olds	35 to 49 year olds	50 to 64 year olds	65 + year olds
10 minutes or less	14%	19%	18%	8%	0%
Up to 20 minutes	19	13	7	9	6
Up to 30 minutes	24	25	18	27	23
Up to 45 minutes	11	13	18	21	14
Up to one hour	15	16	16	18	34
More than one hour	14	12	23	19	23

Source: *Gallup Monthly Monitor of Eating Away From Home*, March 1984

Older consumers spend more time dining out . . .

Older consumers, 65 years and over, seem to spend longer periods of time in restaurants than other age groups. Over half of this group—57 percent—reported spending an hour or more dining out. This group is also very unlikely to spend a short period of time eating out—a slight six percent said their visit to a restaurant lasted only 20 minutes or less. This may be because senior citizens tend to dine out for social reasons.

On the other hand, younger consumers frequently make quick visits to restaurants. For instance, approximately a third of the 18 to 34-year-old segment reported spending 20 minutes or less in a restaurant. A fairly large proportion of 35 to 49 year olds also reported eating out in 20 minutes or less—25 percent. This may be due to the large number of employed consumers in these age groups. Working people, because of time constraints, are very likely to "eat and run."

Almost one in three of the 18 to 34-year-old group said they spent an hour or more eating out—substantially lower than the senior citizen response rate.

Large households most apt to eat quick meals . . .

Among the household segments, members of households with five or

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**The Gallup Monthly Monitor of Eating Away From Home* is conducted monthly and tracks trends in eating out behavior for the U.S. population. Telephone interviews are conducted with approximately 1,000 adults 18 years of age and older. Respondents are asked to report on all meals eaten at a restaurant, fast food establishment or any other place where food was purchased, such as a lunchroom or cafeteria at work or school on the previous day. Specifically, individuals are asked to report on which meal occasion they ate out, the type of restaurant visited and which day of the week the visit occurred. The interviewing for NRA's question concerning time took place between March 5-18, 1984.

more persons are most likely to eat quick meals when dining out. More than a third of this group reported spending 20 minutes or less in the establishment for their last restaurant meal. Large households were also least likely to spend more than an hour when dining out. Only eight percent said their previous restaurant meal had taken over an hour. This may be because households with five or more persons often include children who can sometimes discourage leisurely dining out.

Single householders also seem very apt to visit restaurants for quick meals. One in five single respondents reported the last restaurant meal required 10 minutes or less. This suggests a large number of singles value the convenience of take-out entrees and fast foods. Single consumers also seem to enjoy dining out socially and are very likely to take their time when eating out. More than a quarter of this group said the previous away-from-home meal had taken more than an hour.

Two-person householders are also very apt to dine out leisurely. One in five respondents in this segment reported spending more than an hour during their last restaurant visit. And, members of two-person households are least likely to eat quickly when dining out.

Time varies by meal period . . .

As can be expected, the amount of time spent in an eating establishment varies considerably by meal period. For instance, consumers generally spend less time eating breakfast and lunch in a restaurant than dinner. A large percentage of both breakfast and lunch customers—three in 10—reported taking 20 minutes or less to eat these meals. This indicates a thriving "quick serve" breakfast and lunch market where people primarily want fast service and convenience.

Although a similar percentage of breakfasts (59 percent) and lunches (57 percent) required no more than 30 minutes, a substantially higher proportion of lunches (27 percent) than breakfasts (16 percent) took an hour or more. This pattern may change as brunch becomes a more popular meal period and business breakfasts become more commonplace.

Over half the patrons (56 percent) reported spending at least an hour when eating dinner in a restaurant. This makes sense since dinner is usually perceived as a time to relax over a leisurely meal. Twenty-eight percent of the respondents said they spent between 30 and 45 minutes eating dinner. Only nine percent mentioned taking 10 minutes or less to visit a restaurant for the evening meal.

Time spent by meal periods

Time spent in eating place	Meal eaten out: Breakfast	Lunch	Dinner
10 minutes or less	16%	16%	9%
Up to 20 minutes	14	14	7
Up to 30 minutes	29	27	16
Up to 45 minutes	25	14	12
Up to one hour	13	19	20
More than one hour	3	8	36

Source: *Gallup Monthly Monitor of Eating Away From Home, March 1984*

Patrons spend least time at fast food meals . . .

Naturally, customers spend different amounts of time when visiting different restaurant types. For instance, almost a third of the reported fast food meals took 10 minutes or less—an indication that a large percentage of business at these establishments is take-out.

A large majority of respondents—46 percent—said they spent between 20 and 30 minutes when visiting a fast food restaurant. Only seven percent spent an hour or more at a fast food establishment. This is consistent with other data that shows customers patronize fast food establishments primarily for quick service and usually for lunch or breakfast. The tendency for quick turnover may change as fast food operations offer entrees that are more dinner-oriented, such as gourmet hamburgers.

The majority of cafeteria customers—seven out of 10—spent 30 minutes or less dining in these establishments. Sixty-one percent spent between 30 and 45 minutes dining out, and 14 percent spent an hour or more at a cafeteria.

At the other end of the spectrum, almost three-quarters of the respondents reported spending at least an hour dining in an upscale restaurant. Twenty-six percent said they spent between 30 and 45 minutes at these establishments. Very few customers—three percent—spent less than 20 minutes in an adult-oriented restaurant.

A majority of consumers—58 percent—also reported spending an hour or more when dining out at a family restaurant. And more than a third said they spent between 30 and 45 minutes at these establishments. Very few respondents—six percent—took 20 minutes or less to visit a family-style restaurant.

Time spent by type of restaurant

Time spent in eating place	Type of restaurant: Fast food	Cafeteria	Family	Upscale
10 minutes or less	32%	13%	2%	0%
Up to 20 minutes	22	12	4	3
Up to 30 minutes	24	45	17	15
Up to 45 minutes	11	16	19	11
Up to one hour	5	11	31	16
More than one hour	2	3	27	55

Source: *Gallup Monthly Monitor of Eating Away From Home, March 1984*

Adjusting service to customer expectations . . .

Today's consumers are concerned with time and how they spend it. As reported, different customer groups spend different amounts of time in different situations. It is up to restaurateurs to make sure their establishments provide meals within the time frame customers expect.

For instance, most people don't want to or can't spend much time for lunch because they have a limited lunch break. Restaurateurs should be sure to have sufficient staff and easily prepared menu items on hand during the lunch hour to insure fast service and quick turnover. Many dinner patrons expect a leisurely dinner—especially upscale restaurant customers.

—Cecelia Niepold

CREST data provides information on visit frequency, market penetration

How often can you expect your patrons to visit your restaurant during one month, four months, six months or a year? How many of your patrons live in your trading area?

These are just two of the questions answered by a new and revised computer-based extrapolation model that uses CREST* household data to examine visit frequency and market penetration. Information from this model will appear periodically in ***NRA NEWS***.

Visit frequency refers to the average number of visits made per year. Penetration means the proportion of households with a specified demographic characteristic which will eat out at least once a year. For example, the model allows a restaurateur to examine supper visits at midscale restaurants for 50 to 64-year-olds who have household incomes between $15,000 and $25,000. The model, based on two-week reporting data for the year ending August 1983, shows that 82 percent of these people will make at least one midscale supper visit a year, and these individuals will average 28.3 such visits during a 12-month period. This information can help a restaurateur design advertising strategies and promotional programs and evaluate market opportunities.

For a more detailed look at the type of information the model can provide, here is a look at lunch and supper visits by age, income and type of restaurants visited.

Lunch restaurant visits . . .

Quick service restaurants

- Frequency of visits declines with age.
- Nearly everyone makes at least one quick service lunch visit a year.
- Individuals under 35 years of age are the most frequent users of quick ser-

Yearly lunch visits by income and age

1. QUICK SERVICE RESTAURANTS

	INCOME					
	Less than $15,000		$15,000 to $25,000		$25,000 and higher	
Age	Frequency	Penetration	Frequency	Penetration	Frequency	Penetration
Under 35 years of age	44.8	100.0%	57.2	100.0%	68.0	100.0%
35 to 49 years old	35.4	98.9	45.1	99.6	57.9	99.9
50 to 64 years old	33.6	96.0	40.6	97.4	50.6	98.4
65 years of age and older	24.9	90.3	29.0	94.5	34.0	97.6

2. MIDSCALE RESTAURANTS

	INCOME					
	Less than $15,000		$15,000 to $25,000		$25,000 and higher	
Age	Frequency	Penetration	Frequency	Penetration	Frequency	Penetration
Under 35 years of age	19.2	70.7%	20.1	83.3%	24.6	93.8%
35 to 49 years old	20.8	78.4	27.9	83.3	30.2	87.1
50 to 64 years old	27.9	76.3	32.7	86.3	37.7	88.5
65 years of age and older	34.3	82.0	35.9	87.1	41.1	93.2

3. UPSCALE RESTAURANTS

	INCOME					
	Less than $15,000		$15,000 to $25,000		$25,000 and higher	
Age	Frequency	Penetration	Frequency	Penetration	Frequency	Penetration
Under 35 years of age	9.2	27.9%	9.2	47.2%	14.8	54.1%
35 to 49 years old	6.5	25.6	11.1	39.9	13.0	61.9
50 to 64 years old	10.6	24.0	12.0	38.8	13.6	56.5
65 years of age and older	10.9	35.5	13.6	45.5	17.6	50.3

Source: CREST Marketing Services, GDR/CREST Enterprises vice places for lunch, and their frequency increases as their incomes rise.

- Senior citizens are infrequent users of quick service restaurants for lunch, but frequency does rise as income increases.

Midscale restaurants

- Frequency and penetration for lunch visits at midscale restaurants increase as people get older.
- Senior citizens are the most frequent users of midscale restaurants for lunch, followed by individuals 50 to 64-years-old.
- For individuals under 35 years of age, frequency rises as income increases.

Upscale restaurants

- As with midscale restaurants, proportion of all age groups who visit upscale restaurants for lunch increases as income rises.
- Individuals earning $25,000 or more, no matter what their age, are the most frequent users of upscale places for lunch.

Supper restaurant visits . . .

Quick service restaurants

- Frequency of visiting quick service restaurants for supper declines with age.
- Nearly everyone under the age of 65 years will make at least one quick service supper visit a year.
- Individuals under 35 years of age are the most frequent users of quick service places for the evening meal.
- Senior citizens are infrequent users of quick service restaurants for supper, making fewer than 20 yearly visits, regardless of income.

Midscale restaurants

- Frequency of visits increases as age rises.
- For all age groups, frequency rises as income increases.
- Senior citizens and individuals 50 to 64 years old are the most frequent users of midscale restaurants for the evening meal.
- Individuals under 35 years of age are the most infrequent users of midscale establishments for supper.

Upscale restaurants

- Visit frequency increases as income rises.
- As their income rises, senior citizens are the most likely age group to dine at upscale establishments.

Yearly supper visits by income and age

1. QUICK SERVICE RESTAURANTS

	INCOME					
	Less than $15,000		$15,000 to $25,000		$25,000 and higher	
Age	Frequency	Penetration	Frequency	Penetration	Frequency	Penetration
Under 35 years of age	35.8	100.0%	42.2	100.0%	46.7	100.0
35 to 49 years old	25.0	96.6	33.7	98.6	39.3	99.4
50 to 64 years old	23.4	89.4	28.4	93.8	29.8	96.4
65 years of age and older	16.8	78.4	19.6	90.7	17.8	88.4

2. MIDSCALE RESTAURANTS

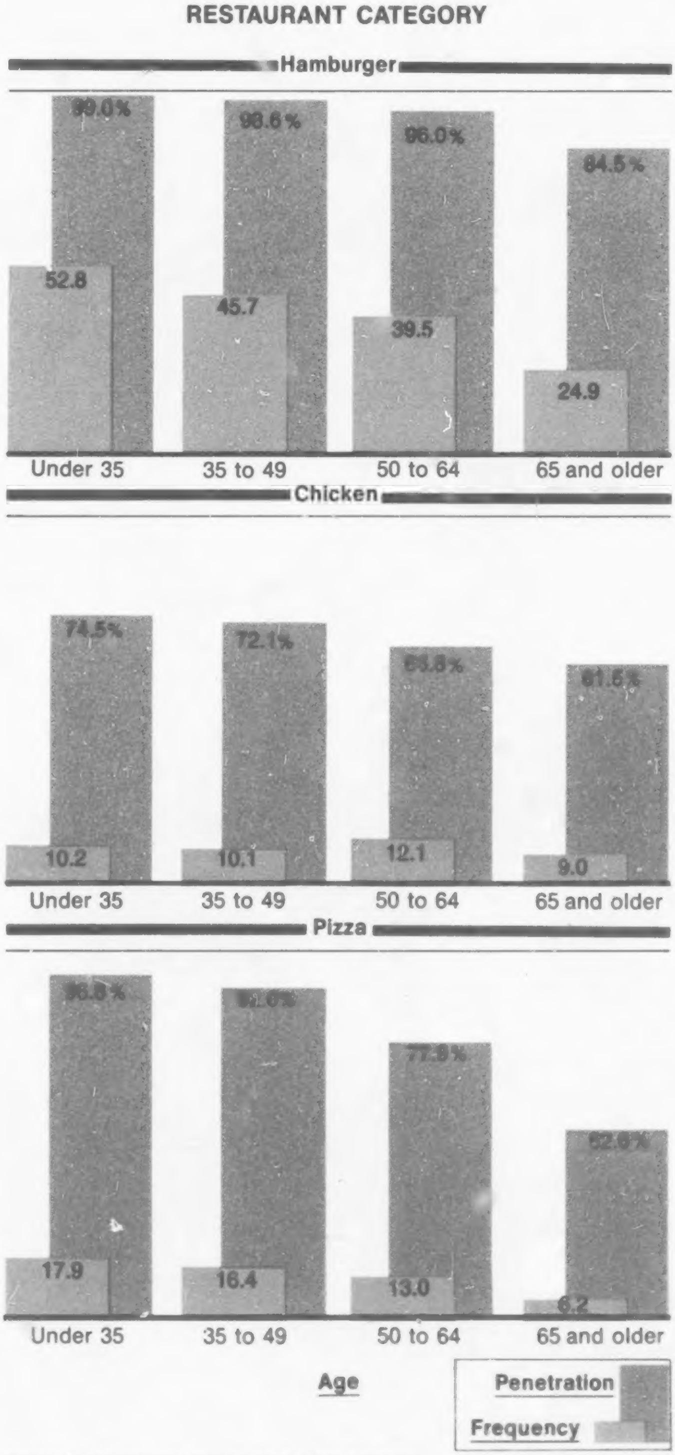
	INCOME					
	Less than $15,000		$15,000 to $25,000		$25,000 and higher	
Age	Frequency	Penetration	Frequency	Penetration	Frequency	Penetration
Under 35 years of age	14.8	68.7%	15.0	81.1%	16.1	85.7%
35 to 49 years old	15.7	62.2	18.2	74.6	20.0	84.5
50 to 64 years old	22.9	67.1	28.3	81.7	28.0	86.8
65 years of age and older	26.9	67.7	29.3	81.2	32.9	85.6

3. UPSCALE RESTAURANTS

	INCOME					
	Less than $15,000		$15,000 to $25,000		$25,000 and higher	
Age	Frequency	Penetration	Frequency	Penetration	Frequency	Penetration
Under 35 years of age	11.3	44.5%	11.1	67.7%	16.6	72.1%
35 to 49 years old	8.0	39.2	12.0	59.3	15.8	70.1
50 to 64 years old	11.3	33.6	15.7	49.9	20.8	64.5
65 years of age and older	13.8	29.5	18.0	46.2	20.8	73.0

Source: CREST Marketing Services, GDR/CREST Enterprises

All meal visits by restaurant category and age



Source: CREST Marketing Services, GDR/CREST Enterprises

- Individuals earning more than $25,000 a year, no matter what their age, are most likely to frequent upscale places for supper.

By restaurant type . . .

The model also breaks down data by specific restaurant category. Here is a look at visit behavior by age for three restaurant categories—hamburger, chicken and pizza establishments.

Hamburger restaurants

- Visits to hamburger restaurants drop substantially as age increases.
- Nearly all persons under 65 years of age visit a hamburger restaurant at least once during a 12-month period.
- Penetration and visit frequency are lowest for senior citizens.

Chicken restaurants

- Visit frequency at chicken restaurants does not seem to be affected by age.
- As age increases, however, the likelihood of visiting a chicken restaurant decreases.
- Senior citizens are infrequent users of chicken places.

Pizza restaurants

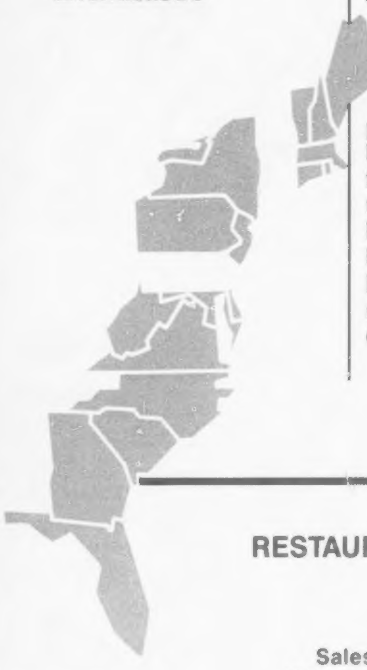
- Nearly all persons under age 50 will visit a pizza restaurant at least once a year.
- Individuals under age 35 are the most frequent users of pizza places.
- Senior citizens are not likely to patronize pizza restaurants, and those that do are infrequent patrons. ☐

—Bette Hoyt

* CREST (Consumer Reports on Eating Share Trends) is a diary panel of 12,000 households that report on eating out behavior for a two-week period for each quarter of the year. GDR/CREST Enterprises, Inc., one of the NPD group of marketing and research companies, is the originator of the CREST diary panel.

Retail Census Report

Sales and establishment data now available



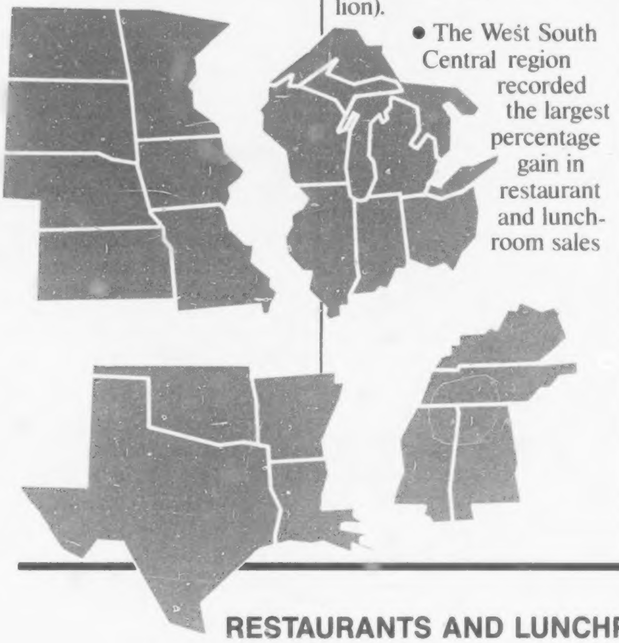
The Bureau of the Census has recently begun releasing restaurant sales information from the *1982 Census of Retail Trade.** Currently, only sales data is available, but augmented reports will include numbers of foodservice units. The Bureau of Census data only includes establishments with payrolls.

This information is still preliminary data and may be revised, but it includes figures for all 50 states plus the District of Columbia for both establishments with tableservice (restaurants and lunchrooms) and establishments with no tableservice (refreshment places).

Restaurants and lunchroom sales equal $47.0 billion . . .

- Sales for restaurants and lunchrooms equaled $47.0 billion in 1982, up 65.0 percent from 1977 sales of $28.5 billion. This represents a 10.5 percent average annual gain for the five-year period.
- Inflation-adjusted sales (using the Consumer Price Index (CPI) for food away from home as a deflator) rose an average of 1.6 percent per year during the 1977-1982 period.
- Generally, the sales performance of states and regions in the south and west was considerably better than that for states in the east and midwest.
- The Pacific region reported the largest dollar sales—$9.6 billion, followed by the East North Central and Middle Atlantic regions, which had sales of $8.0 billion and $7.2 billion, respectively.
- California ranked number one in 1982 in terms of restaurant and lunchroom sales—$7.2 billion. Other states in the top 10 include: New York ($3.8 billion), Texas ($2.8 billion), Florida ($2.7 billion), Illinois ($2.4 billion), Pennsylvania ($2.0 billion), Ohio ($2.0 billion), Michigan ($1.8 billion), Massachusetts ($1.7 billion)

	RESTAURANTS AND LUNCHROOMS				REFRESHMENT PLACES			
	Sales (000) 1982	Sales (000) 1977	Percent change	Average annual percent change	Sales (000) 1982	Sales (000) 1977	Percent change	Average annual percent change
NEW ENGLAND								
Connecticut	$ 739,697	$ 405,008	82.6%	12.8%	$ 387,273	$ 234,343	65.2%	10.6%
Maine	224,831	137,618	63.4	10.3	136,350	84,964	60.5	9.9
Massachusetts	1,660,832	887,018	87.2	13.4	725,080	431,203	68.2	11.0
New Hampshire	256,499	142,519	80.0	12.5	115,111	73,790	56.0	9.3
Rhode Island	212,215	128,709	64.9	10.5	107,962	60,131	79.5	12.4
Vermont	126,546	70,699	79.0	12.4	53,586	27,653	93.8	14.1
TOTAL	**$ 3,220,620**	**$ 1,771,571**	**81.8%**	**12.7%**	**$ 1,525,362**	**$ 912,084**	**67.2%**	**10.9%**
MIDDLE ATLANTIC								
New Jersey	$ 1,488,393	$ 932,562	59.6%	9.8%	$ 785,758	505,583	55.4%	9.2%
New York	3,752,841	2,387,174	57.2	9.5	1,776,784	1,149,426	54.6	9.1
Pennsylvania	1,972,482	1,245,560	58.4	9.6	1,335,454	812,697	64.3	10.5
TOTAL	**$ 7,213,716**	**$ 4,565,296**	**58.0%**	**9.6%**	**$ 3,897,996**	**$ 2,467,706**	**58.0%**	**9.6%**
SOUTH ATLANTIC								
Delaware	$ 122,061	$ 73,741	65.5%	10.6%	$ 95,938	$ 55,490	72.9%	11.6%
District of Columbia	266,772	184,529	44.6	7.7	124,356	78,194	59.0	9.7
Florida	2,745,231	1,467,474	87.1	13.3	1,823,167	863,881	111.0	16.1
Georgia	828,882	464,235	78.5	12.3	1,062,805	555,080	91.5	13.9
Maryland	776,441	470,241	65.1	10.6	684,737	455,535	50.3	8.5
North Carolina	800,276	472,217	69.5	11.1	1,042,075	507,513	105.3	15.5
South Carolina	388,008	226,669	71.2	11.4	525,119	253,102	107.5	15.7
Virginia	912,679	526,552	73.3	11.6	904,259	495,905	82.3	12.8
West Virginia	186,499	133,523	39.7	6.9	258,170	135,530	90.5	13.8
TOTAL	**$ 7,026,849**	**$ 4,019,181**	**74.8%**	**11.8%**	**$ 6,520,676**	**$ 3,400,230**	**91.8%**	**13.9%**



and New Jersey ($1.5 billion).

- The West South Central region recorded the largest percentage gain in restaurant and lunchroom sales between 1977 and 1982, 94.7 percent, while the East North Central states recorded the lowest gain, 49.1 percent.
- Texas had the largest percentage increase in restaurant and lunchroom sales during the five-year period, with sales up 105.6 percent. Other states which reported significant sales advances include: Alaska (94.9 percent), Colorado (94.5 percent), Massachusetts (87.2 percent), Florida (87.1 percent), Arizona (86.9 percent), Hawaii (86.0 percent) and Oklahoma (85.3 percent).

Refreshment place sales total $35.5 billion . . .

- Sales for refreshment places equaled $35.5 billion in 1982, up 81.8 percent from 1977 sales of $19.5 billion. This represents a 12.7 percent average annual gain for the five-year period.
- Inflation-adjusted sales (using the CPI for food away from home as a deflator) rose an average of 3.8 percent per year during the 1977-1982 period. This is more than twice the rate of real growth for restaurants and lunchrooms.
- Southern and western states reported considerably

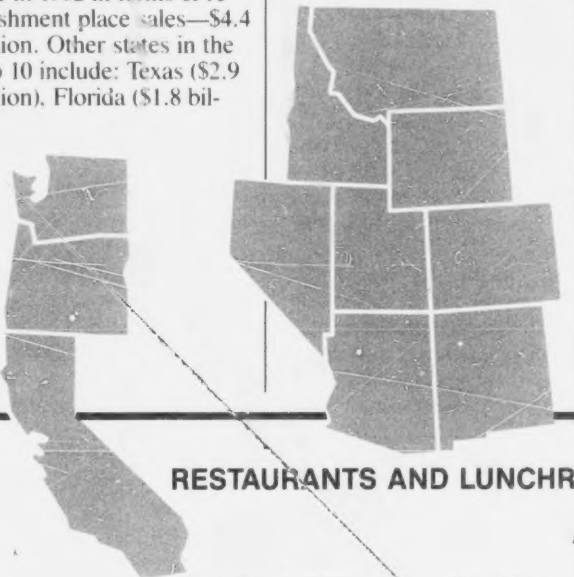
	RESTAURANTS AND LUNCHROOMS				REFRESHMENT PLACES			
	Sales (000)		Percent change	Average annual percent change	Sales (000)		Percent change	Average annual percent change
	1982	1977			1982	1977		
EAST NORTH CENTRAL								
Illinois	$ 2,356,308	$ 1,608,809	46.5%	8.0%	$ 1,741,932	$ 1,101,622	58.1%	9.6%
Indiana	900,866	587,166	53.4	8.9	991,448	567,526	74.7	11.8
Michigan	1,752,531	1,197,242	46.4	7.9	1,260,194	774,674	62.7	10.2
Ohio	1,961,504	1,311,007	49.6	8.4	1,782,346	1,049,249	69.9	11.2
Wisconsin	1,057,716	679,150	55.7	9.3	588,523	333,473	76.5	12.0
TOTAL	**$ 8,028,925**	**$ 5,383,374**	**49.1%**	**8.3%**	**$ 6,364,443**	**$ 3,826,544**	**66.3%**	**10.7%**
WEST NORTH CENTRAL								
Iowa	$ 463,143	$ 336,274	37.7%	6.6%	$ 403,589	$ 234,162	72.4%	11.5%
Kansas	374,222	234,408	59.6	9.8	431,173	250,802	71.9	11.4
Minnesota	932,075	575,386	62.0	10.1	503,609	290,106	73.6	11.7
Missouri	834,068	557,318	49.6	8.4	821,824	467,719	75.7	11.9
Nebraska	293,176	202,008	45.1	7.7	233,314	131,046	78.0	12.2
North Dakota	125,879	83,386	51.0	8.6	91,889	41,132	123.4	17.4
South Dakota	133,626	95,110	40.5	7.0	75,372	39,692	89.9	13.7
TOTAL	**$ 3,156,189**	**$ 2,083,890**	**51.4%**	**8.7%**	**$ 2,560,770**	**$ 1,454,659**	**76.0%**	**12.0%**
EAST SOUTH CENTRAL								
Alabama	$ 332,337	$ 248,164	33.9%	6.0%	$ 584,259	$ 304,407	91.9%	13.9%
Kentucky	420,665	288,820	45.6	7.8	652,755	332,945	96.0	14.4
Mississippi	204,311	124,940	63.5	10.3	308,043	171,554	79.6	12.4
Tennessee	684,827	423,896	61.6	10.1	757,921	392,537	93.1	14.1
TOTAL	**$ 1,642,140**	**$ 1,085,820**	**51.2%**	**8.6%**	**$ 2,302,978**	**$ 1,201,443**	**91.7%**	**13.9%**
WEST SOUTH CENTRAL								
Arkansas	$ 212,242	$ 147,019	44.4%	7.6%	$ 331,353	$ 174,569	89.8%	13.7%
Louisiana	632,140	351,075	80.0	12.5	703,097	341,552	105.8	15.5
Oklahoma	502,327	271,117	85.3	13.1	646,799	294,462	119.6	17.0
Texas	2,859,707	1,391,162	105.6	15.5	2,886,787	1,399,376	106.3	15.6
TOTAL	**$ 4,206,416**	**$ 2,160,373**	**94.7%**	**14.2%**	**$ 4,568,036**	**$ 2,209,959**	**106.7%**	**15.6%**

higher refreshment place sales increases than states located in the north and midwest.

- The South Atlantic region reported the largest dollar sales— $6.5 billion, closely followed by the East North Central region with sales of $6.4 billion. In 1977, the East North Central region ranked number one.
- California ranked number one in 1982 in terms of refreshment place sales—$4.4 billion. Other states in the top 10 include: Texas ($2.9 billion), Florida ($1.8 billion), Ohio ($1.8 billion), New York ($1.8 billion), Illinois ($1.7 billion), Michigan ($1.3 billion), Georgia ($1.1 billion) and North Carolina ($1.0 billion).
- Contrary to the national pattern, many states, especially those located in the south, reported higher refreshment place sales than restaurant and lunchroom sales. These states include Alabama, Arkansas, Georgia, Indiana, Kansas, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and West Virginia.
- The West South Central region recorded the largest percentage gain in refreshment place sales between 1977 and 1982, 106.7 percent, and was followed by the 99.4 percent advance for the Mountain region. The Middle Atlantic region reported the smallest rise in refreshment place sales—up only 58.0 percent.
- Twelve states recorded 1982 refreshment place sales double that of 1977 sales, with Wyoming registering the largest gain—128.8 percent. The other states include North Dakota (123.4 percent), Oklahoma (119.6 percent), Alaska (114.6 percent), Florida (110.0 percent), Arizona (109.7 percent), South Carolina (107.3 percent), Colorado (106.8 percent), Texas (106.3 percent), Louisiana (105.8 percent), New Mexico (105.6 percent) and North Carolina (105.3 percent).

—Bette Hoyt

*The Bureau of the Census conducts a census of retail trade establishments, including eating and drinking places, every five years. Information from the 1982 census is just now being made available. It includes sales and establishment data, proportion of sales on and off-premise consumption (eat-in versus take out), number of employees, number of establishments operated by firms, industry concentration of sales and units, and proportion of sales going to alcoholic beverages.



	RESTAURANTS AND LUNCHROOMS				REFRESHMENT PLACES			
	Sales (000)		Percent change	Average annual percent change	Sales (000)		Percent change	Average annual percent change
	1982	1977			1982	1977		
MOUNTAIN								
Arizona	$ 680,293	$ 364,064	86.9%	13.3%	$ 453,804	$ 216,377	109.7%	16.0%
Colorado	951,690	489,246	94.5	14.2	526,751	254,735	106.8	15.6
Idaho	174,522	121,066	44.2	7.6	121,092	77,234	56.8	9.4
Montana	183,376	120,494	52.2	8.8	110,808	61,085	81.4	12.7
Nevada	248,938	144,973	71.7	11.4	155,757	77,935	99.8	14.9
New Mexico	272,294	148,222	83.7	12.9	234,018	113,806	105.6	15.5
Utah	230,563	156,233	47.6	8.1	219,101	117,858	85.9	13.2
Wyoming	122,474	69,220	76.9	12.1	89,149	38,965	128.8	18.0
TOTAL	**$ 2,864,150**	**$ 1,613,518**	**77.5%**	**12.2%**	**$ 1,910,480**	**$ 957,995**	**99.4%**	**14.8%**
PACIFIC								
Alaska	$ 145,732	$ 74,779	94.9%	14.3%	$ 101,865	$ 47,456	114.6%	16.5%
California	7,182,313	4,277,705	67.9	10.9	4,371,560	2,318,985	88.5	13.5
Hawaii	464,929	249,946	86.0	13.2	261,711	138,075	89.5	13.6
Oregon	656,261	447,978	46.5	7.9	435,736	243,930	78.6	12.3
Washington	1,184,948	737,384	60.7	9.9	675,215	347,516	94.3	14.2
TOTAL	**$ 9,634,183**	**$ 5,787,792**	**66.4%**	**10.7%**	**$ 5,846,087**	**$ 3,095,962**	**88.8%**	**13.6%**
TOTAL UNITED STATES	**$46,993,188**	**$28,470,815**	**65.0%**	**10.5%**	**$35,496,828**	**$19,526,582**	**81.8%**	**12.7%**

Note: Preliminary data, subject to revisions. All figures are for establishments with payroll.

Sources: Bureau of the Census, Census of Retail Trade: 1982 and 1977; National Restaurant Association.

Wholesale Food Cost Update as of July

Food costs were up during the first half of this year. According to the Producer Price Index, food costs at the wholesale level averaged 5.6 percent higher during the first six months of 1984 than a year earlier. NRA's Wholesale Food Cost Index, which reflects restaurateur's wholesale food costs, also rose 5.6 percent during that period.

Food prices increased sharply during the winter months as the cold weather in December and January disrupted cattle marketings and damaged vegetable and citrus crops. The avian flu also affected the market by reducing egg and broiler output.

USDA expects food prices to rise faster during the second half of 1984 due to reduced pork and beef supplies, strong consumer demand and higher marketing costs. Prices for the entire year are expected to go up four to six percent.

Beef: Beef output may decline three to five percent during the last six months of 1984. Beef supplies will remain somewhat low through the first half of 1985; they should increase significantly in the second half of the year.

Due to the decreased production, beef prices are expected to rise during the second half of this year and remain relatively high through the spring of 1985, but stabilize later in the year.

Prices for choice-fed steers at Omaha should range between $64 and $66 per cwt. during the third quarter of 1984—up from $62 per cwt. a year earlier. During the fourth quarter prices are expected to average $66 to $68 per cwt. compared with $57 to $59 per cwt. last season. This represents a 15.5 percent increase.

Looking ahead, John Nalivka, USDA economist, predicts beef prices will range between $68 and $72 per cwt. during 1985.

Pork: Total commercial pork supplies are expected to drop 11 percent from 1983 levels during the second half of 1984. The decline in output is a result of the poor returns producers received last year due to high feed costs. USDA Economist Leland Southard expects pork production will stay low through the first half of 1985—averaging between seven to nine percent below 1984 levels.

Pork prices are expected to average $54 to $58 per cwt. during the third quarter—up from the $47 per cwt. average posted a year earlier. Fall prices will probably range between $53 and $57 per cwt., compared with a lower $42 per cwt. in 1983—up approximately 31 percent. Pork prices are expected to remain moderately high through mid-1985.

Broilers: Broiler production is up compared with last year. A year ago, producers were cutting back their output due to high feed costs. This year, however, favorable crop prospects and the strong economy have helped boost supplies.

According to USDA, production is expected to rise four percent during the third quarter and six percent during the fourth quarter. The increased output should help maintain plentiful supplies through the beginning of 1985.

Broiler prices are expected to average 52 to 56 cents a pound during the third quarter, similar to last summer's 54 cents. By the fourth quarter, though, prices may drop and range between 50 and 54 cents a pound, slightly below last year's 55 cents a pound.

Eggs: Egg production is picking up after a slowdown earlier this year. USDA expects egg production to increase over 1983 levels—two percent in the third quarter and three percent during the fourth quarter.

Egg prices have dropped dramatically from the high levels posted during the winter and early spring when supplies were low because of the avian flu. Continued gains in supplies will help bring egg prices down further in the fourth quarter. Prices should average 68 to 72 cents a dozen, down sharply from 91 cents a year earlier.

—Cecelia Niepold

NRA wholesale food cost update

Commodity	1982 to 1983	June 83 to June 84	6 mos. 83 to 6 mos. 84	May 84 to June 84
Bakery products	−3.2%	5.1%	4.8%	1.1%
Flour and cereal	1.1	2.8	2.6	0.8
Beef and veal	−3.3	−6.9	−0.7	−3.0
Other meats	−8.7	−0.2	−6.1	1.3
Pork	−9.6	nc	−7.5	2.0
Poultry and eggs	3.2	10.2	26.6	−5.3
Poultry	3.4	12.2	22.1	−2.9
Eggs	2.6	5.1	37.3	−11.5
Fish and shellfish	6.3	7.7	10.3	−19.3
Sugar and sweets	5.0	1.9	3.2	nc
Sugar	8.2	2.7	5.3	0.1
Vegetables	1.2	0.7	17.8	5.9
Fresh vegetables	1.0	−0.4	27.2	9.3
Fruits and juices	2.9	11.3	6.7	3.8
Fresh fruit	6.4	8.8	1.4	8.5
Beverages	1.3	5.5	4.1	0.1
Dairy products	0.6	−0.4	−0.7	0.2
Fats and oils	8.8	39.3	31.5	2.1
NRA Food Cost Index	**0.7%**	**2.3%**	**5.6%**	**−3.6%**
Producer Price Index, All Food Index[1]	**1.1%**	**4.3%**	**5.6%**	**−0.8%**

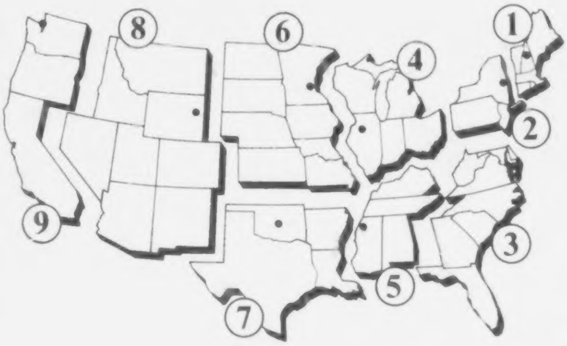
[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables

Sources: Bureau of Labor Statistics, *Producer Price Index*, July 1984

How's business?

by Cecelia Niepold

The interviews this month illustrate that flexibility is a key ingredient for restaurateurs. Whether it's adjusting teenagers' work schedules, creating new entrees or even changing an entire concept, restaurateurs are continually adapting to meet their customers' and employees' needs.



① NORTHEAST

Location: Bartlett, NH
NRA member: Frances Pandora
Operation: Mt. Attitash
Profile: A recreational resort with a cafeteria, full-service restaurant and ice cream shop.
In business: 19 years
Meals served: Light breakfast and lunch
Seats: 200

According to **Frances Pandora,** food and beverage manager at Mt. Attitash, business was somewhat slow during the beginning of the summer but started picking up during the last two weeks of July. Pandora attributes the sluggish business to an unusually rainy season and a feeling that consumers were still watching their spending.

Mt. Attitash is a recreational resort that includes ski slopes in the winter and water slides and alpine slides (sled rides on tracks down the mountainside) in the summer. To encourage riders to visit the foodservice facilities, daily specials and entrees are periodically announced over a loudspeaker.

A large number of teenagers work at the resort, and Pandora has set up incentive programs to increase productivity. For instance, when a shift in the ice cream shop brings in more dollars than the same shift on the prior day, each employee earns two hours of free time. Employees can take individual hours off or accumulate time to receive a whole day off.

Pandora's philosophy of "giving a little extra to get a little extra" has paid off.

② MIDDLE ATLANTIC

Location: Albany, NY
NRA member: Arnold Rosenstein
Operation: Jack's Oyster House
Profile: White tablecloth restaurant with lounge and two banquet rooms
In business: 71 years
Meals served: Lunch, dinner
Seats: 435

"Business seems better than a year ago," says **Arnold Rosenstein,** owner of Jack's Oyster House—a family-owned restaurant specializing in seafood in downtown Albany. Albany, like many other cities, has put increased emphasis on revitalizing its downtown and the new development has helped boost business at Jack's Oyster House.

Rosenstein is optimistic about the future and his upcoming plans include possibly restructuring part of his restaurant and a slight expansion. He has already begun offering customers off-premise catering.

③ SOUTH ATLANTIC

Location: Oxford, MD
NRA member: Kenneth Gibson
Operation: Robert Morris Inn
Profile: Country inn with three dining areas
In business: 14 years
Meals served: Breakfast, lunch, dinner
Seats: 150

Business is going well for the Robert Morris Inn—a historic country inn and restaurant on Maryland's Eastern Shore. "Each year business improves," says owner **Kenneth Gibson.**

The inn is located in the quaint village of Oxford and is known for being a relaxing getaway spot. That reputation and a proximity to several major cities helped maintain business through the recession.

The restaurant specializes in Chesapeake Bay seafood, and it is particularly well known for its crab cakes. Gibson continually experiments with his menu and recently developed a special seafood sauce that's especially good served with a broiled flounder and backfin crab dishes.

④ EAST NORTH CENTRAL

Location: Peoria, IL
NRA member: Jerry Weaver
Operation: Weaver's Country Fried Chicken
Profile: Five fried chicken fast food outlets
In business: 11 years
Meals served: Lunch, dinner
Seats: Average 65

"Business has been good—more people are back to work and that makes a difference," says **Dave Snider,** general manager of Weaver's Country Fried Chicken. The company is optimistic about the future and is exploring possible expansion sites. It may also add drive-in operations to some of its units.

To differentiate its concept from other fast food chains, Weaver's focuses on the personal touch. "If customers feel at home, they'll come back," Snider maintains. Employees are encouraged to give a little extra service, get to know customers by name and generally make them feel special and important.

Weaver's has had a lot of success with young employees. Snider likes to hire teenagers who are good students and are involved in school activities.

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EAST SOUTH CENTRAL

Location: Greenwood, MS
NRA member: Mike Ballas
Operation: Crystal Grill
Profile: Full-menu restaurant
In business: 33 years
Meals served: Breakfast, lunch, dinner
Seats: 200

In general, business is down in the county around Greenwood—a small town about 125 miles south of Memphis, TN. Even so, **Mike Ballas,** owner of the Crystal Grill, says his business has been holding up pretty well.

According to Ballas, several new restaurants opened in town, and he decided to remodel and expand to combat the competition. "It's definitely helped business," he says.

The Crystal Grill serves "just a bit of everything," but it specializes in seafood. Most of its customers are local residents and "word of mouth" is the major form of advertising.

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WEST NORTH CENTRAL

Location: Minneapolis, MN
NRA member: Richard Gottlied
Operation: Nankin Express, Inc.
Profile: Oriental fast food chain
In business: 2 years
Meals served: Lunch, dinner
Seats: Average 50

According to **Richard Gottlied,** vice president of Nankin Express, the economy in the Minnesota area is pretty stagnant. "Overall, though, it's a good stable area," he says.

Gottlied is very optimistic about his company's growth, however. "The concept has been well received, and we're well on our way to becoming a national operation," he maintains. Three stores are currently in operation, four are under construction and the first franchisee is working on another three sites. The company is about to start soliciting nationally and hopes to have more than 200 units within five years.

Why an Oriental fast food chain? Gottlied's partner, Joel Golden, has been closely involved with the Chinese restaurant business for many years. His family has operated a large (700 seats) full service Chinese establishment since 1956. The success of that operation prompted the idea, and after doing extensive research, the partners realized there was a niche in the fast food market for an Oriental concept.

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WEST SOUTH CENTRAL

Location: Oklahoma City, OK
NRA member: Carl McAllister
Operation: McAllister and Reed
Profile: Company operating 10 pizza restaurants and 11 barbecue outlets
In business: 24 years
Meals served: Lunch, dinner
Seats: 120

"Business may be a little flatter than a year ago," says **Carl McAllister,** co-owner of McAllister and Reed—a company with pizza restaurants and barbecue establishments in Oklahoma, Texas and Arkansas. He explains that the oil boom that protected Oklahoma from the recession in the early 1980s has slowed down and is contributing to the somewhat slower growth. "Even so, business is probably better than the national average," he maintains.

McAllister started his business with a pizza restaurant, Pizza Planet, in 1960. At that time pizza was fairly new to the Midwest, and he had to teach his customers to love pizza. Now Midwesterners enjoy pizza so much that the market is becoming more and more saturated. To adapt to the increasingly competitive market, McAllister started converting some of his pizza units to barbecue operations five years ago. So far the concept, Crocket Smokehouses, has done very well, and the company is considering further expansion.

8

MOUNTAIN

Location: Gillette, WY
NRA member: Gary Gulley
Operation: Big Don's Drive-In
Profile: Old-fashioned fast food drive-in
In business: 20 years
Meals served: Lunch, dinner
Seats: 0 (carry out)

"Business is up compared with the last two years," says **Gary Gulley,** owner of Big Don's Drive-In. Industry in the Gillette area is very energy oriented. Thus the area suffered a downturn during the recession but is now recovering—experiencing slow but steady growth.

Big Don's Drive-In is an old fashioned drive-in with carhop service. Customers drive in, park in one of the 38 slots, place their orders and eat in their cars. Because business is slower during the cold winter months, Gulley may add 80 to 100 indoor seats sometime soon.

Teenagers are some of Big Don's prime customers. "They love to sit in their cars and play their tunes," explains Gulley. "We cater to the kids. If there's anyway we can make something they like, we do it," Gulley explains. For instance, Gulley flavors cokes in unusual ways (pineapple cokes, chocolate cokes) and makes unusual sauces for french fries—just because the teens like something different.

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PACIFIC

Location: Vashon, WA
NRA member: Gwynn Palmer
Operation: Sound Food Company
Profile: Full menu restaurant and bakery
In business: 10 years
Meals served: Breakfast, lunch, dinner and brunch
Seats: 75

"Business is better every month and every year," says **Gwynn Palmer,** co-owner of the Sound Food Company—uniquely located on a small island 15 minutes from Seattle, WA, by ferry.

To encourage mainlanders to ferry over as well as to maintain local customer interest, Palmer offers a wide variety of innovative entrees—all prepared with fresh ingredients. Specialties range from American regional favorites to eclectic ethnic dishes.

Due to popular demand, the Sound Food Company recently published a cookbook with 20 to 25 of its most asked for entrees. Recipes for unusual creations, such as linguine with basil walnut sauce, are featured as well as more basic items, such as French onion soup.

FOOD FOR THOUGHT

You're never too old

If you automatically associate ice cream and candy with sticky-fingered children, you may be out of touch. According to a recent report released by Packaged Facts (New York research company), candy sales have jumped nearly 10 percent during the last two years. The report indicates, however, that grown ups, not children, are the ones with the sweet tooth and the yen for fancy chocolates. The U.S. candy market will be producing five billion pounds per year by 1990 to keep up with the candy craze.

Although children are holding their own in the ice cream market, adults are scooping up ice cream almost as fast. A survey conducted by the Human Nutrition Information Service asked 37,874 households: Who ate ice cream during the past three days? Slightly over 29 percent of children three to 18-years-old had eaten ice cream, while not far behind more than 22 percent of adults (19 to 84) confessed to indulging in a scoop or two.

—USA Today

"Preconvention" bash

NRA member El Chico's restaurants in Dallas, TX, had 600 pounds of Mexican food sent airfreight to Washington, DC, on July 26, for a Republican "preconvention" bash which served as a warm-up to the Dallas National Convention.

The menu included, in part, 1,200 chicken wings, 2,000 chicken fajitas, 2,000 tamales and 1,200 flour tortillas.

Three Republican policymakers, Sen. John Tower, Rep. Phil Gramm and Rep. Steve Bartlett, all of Texas, hosted the event at Bronco Billy's, a Texas-style bar in the nation's Capital.

The gala celebration, attended by over 300 Republicans and Texans, was billed as an invitation to learn the Texas Two-Step. Many guests came dressed in the requested Western attire, sporting cowboy boots, string ties and ten-gallon hats.

Secretary of State George Schultz, Secretary of Agriculture John Block, Secretary of Commerce Malcolm Baldridge and Secretary of Health and Human Services Margaret Heckler were among the invited guests who attended.

—NRA NEWS Interview

WANTED
TEENAGERS

Help wanted: Teenagers

"Help Wanted" signs got a workout this summer in the New York suburbs from Connecticut to New Jersey. An oversupply of summer jobs and an undersupply of summer teenage workers left many summer employers shorthanded throughout the season.

For the first time in years, experts say, the economy in the suburbs around New York City is thriving to the point where many employers, accustomed to an overflow of summer job-seekers, cannot find enough workers. This is a direct reversal from previous years, when summer jobs for teenagers and college students were few and far between.

Typical employers of the young, including restaurants, beaches, malls and fast food chains, are feeling the shortage. Bennigan's, a national restaurant chain, recently opened an outlet on Long Island and had to increase its customary hourly wage by $1.00 for some jobs and $1.50 for others in order to complete its staff. "I've worked in 12 different states for the restaurant, and New York is the only area where we've had trouble hiring," said an assistant manager at the restaurant. It pays to cultivate the loyalties of teenage employees and keep them coming back from year to year.

—The New York Times

NRA Publications would like to introduce you to

YOUR CUSTOMERS

Target your customers and zero in on their expectations with NRA's marketing publications

Market Research for Restaurateurs
A do-it-yourself handbook for market research.
CS200, NRA members $17.50, non-members $35.00

PROMOTIONS—What's Possible, What's Popular and What's Profitable
Edited transcript from NRA's 1983 National Conference on Promotions. Experts from all segments of the restaurant industry share their experiences in developing top-notch, business building marketing programs.
MG575, $12.50

Conducting a Feasibility Study for a New Restaurant
This do-it-yourself handbook takes the guesswork out of finding a successful location. It evaluates the various factors that can determine success and focuses on how to use easily obtainable demographics.
CS979, NRA members $12.50, non-members $25.00

How Consumers Make the Decision to Eat Out
Based on NRA research, this in-depth report examines what motivates people to choose one restaurant over another. It looks specifically at fast food, family style and atmosphere operations.
CS960, NRA members $25.00, non-members $40.00

Three consumer expectation studies

Each study focuses on a specific restaurant type and reports on what customers expect from each in terms of food, service and atmosphere.

Consumer Expectations with Regard to Dining at Fast Food Restaurants
CS925, NRA members $15.00, non-members $30.00

Consumer Expectations with Regard to Dining at Family Restaurants
CS926, NRA members $15.00, non-members $30

Consumer Expectations with Regard to Dining at Atmosphere Restaurants
CS927, NRA members $15.00, non-members $30.00

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National Restaurant Association
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NRA MEETINGS

Seminars

American Regional Cookery

10/24	Hyde Park, NY

Simplified Baking Workshop

10/23	Albany, NY
12/5	Las Vegas, NV

Off–Premise Catering

11/12–13	New Orleans, LA
11/26–27	Los Angeles, CA

Perfecting Your Culinary Skills

11/7	Harrisburg, PA
11/15	Madison, WI
12/4	Las Vegas, NV

Dining Room Management

10/25	Tucson, AZ
11/5	Charleston, WV
11/8	Baltimore, MD
11/14	Boston, MA
11/29	Concord, NH

Food Cost Management

10/22	Shreveport, LA
11/26	Nashville, TN
11/29	Seattle, WA

Kitchen Management

11/13	Savannah, GA
12/3	Jacksonville, FL
12/10	Austin, TX
12/12	Baton Rouge, LA

Principles of Labor Cost Management

11/5	Los Angeles, CA

Advanced Labor Cost Management

11/6	Los Angeles, CA

Planning & Implementing Restaurant Marketing Strategy

11/13–14	Detroit, MI
12/4–5	Las Vegas, NV
12/11–12	San Francisco, CA

Menu Development

11/27	Charleston, SC
12/5	Las Vegas, NV

Creative Merchandising Techniques

10/27	Wichita, KS
11/12	Philadelphia, PA

Opening a Restaurant: Before You Start Cooking . . .

11/13	Wilmington, DE
11/26	Orlando, FL
11/28	New Orleans, LA

Operational Analysis

11/7–8	San Diego, CA
11/12–13	Lexington, KY

The Pantry: Prep for Profit

10/30	Des Moines, IA
11/1	Chicago, IL
12/4	Houston, TX

Foodservice Productivity

11/26	Cincinnati, OH
12/11	Baltimore, MD

Soups and Sauces

11/12	Washington, DC
11/14	Chicago, IL
12/12	San Francisco, CA

Basic Supervision in Foodservice

11/13	Princeton, NJ
12/4	Las Vegas, NV

Tools for Training

10/22	King of Prussia, PA
10/24	Lansing, MI
11/12	Raleigh, NC
11/27	Burlington, VT

Hospitality Workshops:

10/29–30	**Full Service**	Denver, CO
10/31–11/1	**Fast Food**	Denver, CO
11/7–8	**Cafeteria**	Los Angeles, CA

Conferences:

10/28–31	**National Conference on Off-Premise Catering**	Washington, DC
1/27–30/85	**National Management Conference for Independent Operators**	New Orleans, LA

For more information, contact

NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100

INFORMATION ON IN-HOUSE PROGRAMS AVAILABLE UPON REQUEST

STUDY GROUP MEETINGS

Quality Assurance
October 31– November 2 San Antonio, TX

MAECO
November 28 Denver, CO

Safety Officers
January Miami, FL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

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Editorial Typists
Valerie Pines
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Editorial offices and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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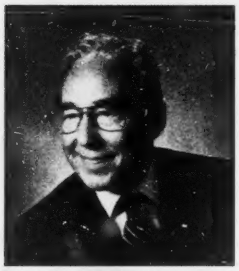
PRESIDENT'S REPORT



Harris O. Machus
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There has been considerable activity within the NRA during the last month on all NRA programs. Your Board of Directors met in Washington, DC, both to make contact with key political leaders and to receive progress reports on association projects and programs.

Your Board talks to Congress

During a series of committee meetings, Board members exchanged views with Sen. Dan Quayle (R-IN), Rep. Richard A. Gephardt (D-MO) and Rep. Guy Vander Jagt (R-MI), each of whom addressed the Board at different times. One hundred eighty seven senators and representatives attended NRA's Second Annual "Chef d'Oeuvre" reception held in the Cannon Caucus Room of the Cannon House Office Building, where they were greeted by the Board. Over the finest hors d'oeuvres Congress has ever been served, we talked to them about the issues we are facing as an industry. We are particularly grateful to those Washington-based restaurateurs who provided their products and services for the NRA congressional reception. This reception is the "talk of Congress" we have been told, and it is now an anticipated annual event by your representatives and senators. For coverage of the reception, see this month's ***NRA NEWS*** Board Room.

NRA researches political issues

To prepare for issues expected to arise in the 99th Congress, the Board has directed the NRA research staff to proceed with two studies. The first is a pilot study to determine if tipped employees in foodservice earn wages, including tips, that are comparable to workers in other service industries.

The study involves collecting and analyzing data on combining gross hourly wages and reported tips. This information will aid in supporting NRA's position on issues such as the federal minimum wage and the tip credit.

The second study concerns the business meal tax deduction. NRA has retained a leading economic research firm to analyze the effect on the foodservice industry of partial or total elimination of the tax deductibility for business meals.

The study will also investigate the secondary ramifications on the total U.S. economy and on the revenues of federal, state and local governments. We hope to avoid another attempt to reduce the business meal deduction, but if it comes, NRA will present a strong case based on concrete data for preserving the deductibility.

Escalating levels of debate related to sulfiting agents are now occurring. You may remember that in February 1983 NRA recommended that members stop using "fresheners" containing sulfiting agents. Unfortunately, these substances are present in some of the foods purchased from suppliers. Since February, four deaths have been linked to consumption of sulfite foods—usually potatoes or salads—in foodservice outlets.

FDA calls for menu labeling

A few weeks ago, the Food and Drug Administration (FDA) wrote NRA requesting assistance in developing signs and menu labels to warn customers about the possible presence of sulfites in food served in restaurants.

Although NRA agreed to meet and discuss this issue, we also repeated and underscored our position on this matter. We stated that, if sulfites pose a health hazard to a significant segment of the population, they should be banned outright. If the number of adversely affected people is so insignificant as to not warrant a ban, then the problem should be handled through the medical community, wherein asthma sufferers could receive advice and instruction from their physicians.

Menu labeling—as you know—is not the answer. Signs or labels can frighten customers who have no need for concern, and labeling would offer insufficient information to those persons who should be concerned.

We will keep you posted on the latest developments as they occur.

Doctors distribute NRA sulfite information

In the meantime, NRA has been mindful of customer safety. Working with the American College of Allergists, NRA has developed a brochure that warns asthmatics about the possible dangers of sulfiting agents.

This literature advises asthma patients to ask restaurant managers if sulfites are present in specific menu items. If the answer is "yes" or "we don't know," the leaflet suggests that only fresh meat, chicken, cheese or egg items—commodities which are never sulfited—be ordered and consumed. These brochures will be distributed by physicians to their asthmatic patients.

Each NRA member company has received a copy so that you can be prepared to answer inquiries from customers. Even though you may not add sulfiting agents in your on-site preparation, your purchases from suppliers may contain them. If you are not certain that your offerings are sulfite-free, check with your supplier to get a definitive answer.

This is an extremely important matter. If you need further information, call the NRA hotline: (800) 424-5156. Our staff will be glad to discuss the situation with you.

During the past month, 153 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Harris

Harris O. Machus
President and Chairman of the Board

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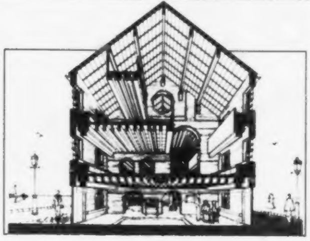

From one coast to another, in large cities and small towns, restaurateurs are giving new life to old structures. They are restoring historical buildings and reopening them as restaurants. It is an effort that does not receive much public recognition. But it should. Operators are not only preserving a part of America's past; they also are spearheading economic revivals for rundown neighborhoods. In this issue, ***NRA NEWS*** pays tribute to these efforts by highlighting a few ventures. It also points out that restaurateurs, too, stand to benefit from preservation projects.

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SHORT ORDERS

Responding to unionization efforts

The point is frequently made that getting involved with a labor union is much like a marriage. It's a lot easier to get into than to get out of. If you are non-union and concerned about union organizing activities, there are important things you should know. There are steps you should be taking, and there are things you definitely should not be doing. With this need in mind, the NRA law department has arranged for the preparation and publication of a new 32-page booklet entitled "Responding to Unionization Efforts."

It approaches the subject by examining the four stages leading to unionization:

Stage I: Prevention: positive employee relations. Your restaurant is operating without any union interest in or effort to organize your employees. While everything is quiet now, without realizing it, you may be creating negative working conditions and a breeding ground for unionism. Moreover, the quiet may lull you into inaction and prevent you from taking a few practical and easy steps which would solve work place problems while showing your employees that a union is not necessary.

Stage II: What to do at the first interest in or talk about a union. A look at early warning signals and what you should do to make certain that you recognize them.

Stage III: You are faced with a full-scale union effort to organize your work force. How should you react? What should you do? What should you not do?

Stage IV: Despite all your efforts, the union-organizing effort has met with surprising support. The union claims to have a "showing of interest." It demands that you recognize the union as the sole collective bargaining representative of your employees and/or the union files a petition with the National Labor Relations Board (NLRB) seeking an election. As in any other election, your employees are entitled to hear from both sides, and there is no reason for you to lose. What is to be done?

To order . . .

Copies of this publication are available for $5 (plus $2 for shipping and handling.) DC residents add 6 percent sales tax. Illinois residents add 7 percent sales tax. Chicago residents add an additional one percent—for a sales tax total of 8 percent.

To order, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call (800) 424-5156. Payment must accompany all orders. Credit card telephone orders are accepted. Please specify number MG-420 when placing your order.

NRA convention promotion nets $1,200 for food depository

A successful "Do You Know Me" promotion, conducted by American Express at the NRA Show in Chicago, netted $1,200 for the Greater Chicago Food Depository.

The promotion attracted more than 200 participants during the Show. For a $5 contribution, convention goers were offered a caricature portrait of themselves on drawing paper headlined, "Do You Know Me?" Students from Chicago's American Academy of Arts drew the caricatures.

The Greater Chicago Food Depository, the promotion's beneficiary, was founded in 1979 to feed hungry people by distributing surplus and salvaged food products donated through the food industry. Last year the organization distributed more than 11 million pounds of food to 500,000 needy individuals.

NRA member implements Hospitality Project

Country Cupboard, Inc., Lewisburg, PA-based company has obtained certification from NRA for successfully completing its new Hospitality Project and implementing the hospitality program in all aspects of its foodservice operations. NRA's Hospitality Project provides restaurant operators and their staffs with measurable standards for quality service.

Linda L. Keefer assumed the position of project coordinator, overseeing the training of management and staff as well as project implementation. The corporation successfully completed all staff, management, project coordinator and restaurant certification steps as well as the Hospitality Project Self-Auditing Checklist in six months.

Country Cupboard, Inc., has been in business since 1973. Its restaurant seats 600 and is accompanied by a retail loop consisting of a bakery, delicatessen, garden center and gift shop.

Small firms provide the jobs

Small firms with under 100 employees accounted for *all* new jobs during the 1980-82 recession, according to a recent Small Business Administration (SBA) study.

During the recession, small business created 2.6 million jobs, offsetting the 1.6 million jobs lost by large firms with more than 100 employees.

Service industries showed the fastest growth during this period—52 percent of the total employment increases. Small firms with less than 100 employees contributed 89.6 percent of this growth.

WASHINGTON REPORT

Organized crime in HEREIU

Organized crime has "substantial influence" over the activities of the Hotel Employees and Restaurant Employees International Union (HEREIU), the Senate Permanent Subcommittee on Investigations has concluded after a three-year investigation.

HEREIU is the largest union representing foodservice employees, and it has about 400,000 members nationwide.

According to the subcommittee, organized crime has controlled or now controls union locals in Chicago, IL; Atlantic City, NJ; Las Vegas, NV; and San Diego, CA.

The subcommittee uncovered a pattern of corruption and incompetence in the union's management, and it reported that the International Union payroll has been "padded with associates, relatives and cronies of top HEREIU officers and persons associated with organized crime."

Subcommittee investigators found that the dental plans of several locals are the source of kickbacks to organized crime, and it characterized the union's prepaid medical plans as a "magnet for criminal schemes."

During the investigation, 34 union officers invoked the Fifth Amendment when questioned about illegal practices. These officials should resign or be removed from office, the subcommittee said, since their refusal to cooperate indicates a "violation of their fiduciary responsibilities."

The subcommittee also recommended tighter reporting and disclosure of union activities. And it said the House of Representatives should pass the Labor-Management Racketeering Act, which has already been approved by the Senate.

How to become a delegate to the small business conference

Your congressman and senators will have a say in who is selected as a delegate to the second White House Conference on Small Business.

Contact them if you would like to represent your state at the conference.

State and regional sessions will precede the event, which will be held sometime between Jan. 1, 1985, and Sept. 1, 1985.

The first conference was held in 1980 and attracted some 25,000 small business participants.

NRA members were active in the conference, which developed recommendations for executive and legislative action on small business issues.

Raise draft age to 21, says Obey

Irritated by Congress' move to raise the drinking age to 21, U.S. Rep. David Obey (D-WI) has introduced a bill (H.R. 6137) that would raise the draft registration age to 21.

The bill would make the draft age 21 as long as the recently-enacted drinking age measure remains in effect.

Legislation signed by President Reagan in July requires the states to raise their minimum purchasing age to 21 within two years or risk loss of federal highway funds.

Said Obey of his bill, "I find it absurd to tell people that they are old enough to pick up a gun and carry it for this country, but if they are married and are sitting in the privacy of their own home, that they should not be allowed to have a glass of wine."

Pressure against telephone access charges

There is pressure on Congress to exempt small businesses from new $6.00 telephone access charges.

The FCC rule, which went into effect this summer, requires businesses with more than one telephone line to pay a flat monthly access charge of $6.00 per line for long-distance service.

FCC contends that the new charges will be offset by future long-distance rate reductions.

But small firms use the telephone almost exclusively for local calls and won't benefit from these reductions, the National Federation of Independent Business (NFIB) said in a petition filed with FCC.

NFIB also said 60 percent of its members have more than one telephone line.

NRA may join NFIB in seeking an exemption for small businesses with more than one telephone line.

If you believe your business is adversely affected by the new rule, write NRA's Government Affairs Department at 311 First St., N.W., Washington, DC 20001.

Watch that imitation cheese

"Hold the imitation cheese, please!"

The United States Department of Agriculture (USDA) reports an unprecedented response to its proposal that every frozen meat pizza contain at least 12 percent cheese topping, with no less than half of that being *real* cheese.

USDA has also proposed clearer package labels so consumers will know when they are getting imitation cheese.

The Food Safety and Inspection Branch has received about 5,500 public comments on the proposals—1,500 more than it received in 1982 when it proposed controversial changes to beef grading standards, standards that were successfully opposed by NRA.

32 states support balanced budget amendment

Should Uncle Sam be allowed to continue spending more than he makes?

Thirty-two states have answered an emphatic no. Their citizens have passed resolutions demanding that Congress convene a constitutional convention and adopt an amendment requiring a balanced federal budget.

If just two more states join this growing movement, the U.S. may have its first convention since the founding fathers met to frame the U.S. Constitution in 1787.

Most state petitions contain a delayed action mechanism that would give Congress a chance to adopt a balanced budget amendment on its own.

But Congress is understandably reluctant to tackle the issue. With annual budget deficits projected in the $200 billion range for the rest of this decade, few in Washington see how Congress can possibly balance the budget without enacting massive spending cuts or tax increases—political suicide, regardless of which option taken.

President Reagan and conservative Republicans have pressed for the amendment, but they have not said how they would balance the budget if the amendment were enacted.

Democrats, by and large, have rejected the notion of a balanced budget amendment as an "artificial and rigid restraint."

Whether Congress or the states by convention draw up a balanced budget amendment, it must be ratified by 38 states before it can become a part of the Constitution.

Federal Excise Tax on spirits to rise

As a result of the new tax bill enacted in July, the Federal Excise Tax (FET) on distilled spirits will go up by $2 a proof-gallon, beginning Oct. 1, 1985.

The tax will rise from $10.50 a gallon to $12.50 a gallon (100 proof).

There will also be a one-time tax on liquor inventory. Stock on hand as of Oct. 1, 1985, will be subject to the $2-a-gallon increase if there are more than 400 proof-gallons of distilled spirits on the premises. Operators will be required to take an inventory on Oct. 1, 1985.

The charts below will help you figure out the price increase. Chart A gives the FET increase by container size and proof. For example, for 20 cases of 80-proof whiskey in 750-ml. bottles, you take the $3.74 figure from Chart A and multiply by 20 to get $74.80—the added FET tax.

For 40 cases of 86-proof scotch in fifth bottles, multiply 40 by $4.12 to get $164.80—the total added FET tax.

Total inventory (in gallons) can be determined by using Chart B, which converts fifths, quarts, milliliters and liters to gallons. Proof-gallons are determined by multiplying gallons by proof/100. For example, 40 gallons of 86-proof liquor (40 × .86) equals 34.4 proof-gallons.

Chart A

Federal excise tax increase per case

	Proof					
Measure	**80**	**86**	**90**	**94**	**100**	**110**
Fifths	$3.84	$4.12	$4.32	$4.52	$4.80	$5.28
Quarts, ½ gals.	$4.80	$5.16	$5.40	$5.64	$6.00	$6.60
200 ml.	$4.00	$4.30	$4.50	$4.70	$5.00	$5.50
500 ml., 1 liter	$5.00	$5.36	$5.62	$5.86	$6.24	$6.86
375 ml., 750 ml.	$3.74	$4.02	$4.22	$4.40	$4.68	$5.14
1.75 liter	$4.36	$4.70	$4.92	$5.14	$5.46	$6.00

Chart B

Cases converted to gallons

One case	of	12 qt. bottles	=	3.00 gallons
One case	of	12 fifth bottles	=	2.40 gallons
One case	of	6 half-gallon bottles	=	3.00 gallons
One case	of	12 750-ml. bottles	=	2.34 gallons
One case	of	12 1-liter bottles	=	3.12 gallons
One case	of	6 1.75-liter bottles	=	2.73 gallons
One case	of	24 375-ml. bottles	=	2.34 gallons
One case	of	24 500-ml. bottles	=	3.12 gallons
One case	of	48 200-ml. bottles	=	2.50 gallons

Remember, holders of less than 400 proof-gallons are not subject to the one-time tax on inventory. Those subject to the tax will receive a tax credit of $800—the amount of tax on the first 400 proof-gallons.

—Jay Morris

STATE DEPARTMENT

Illinois Restaurant Association fights meals tax

The Illinois Restaurant Association (IRA) is up in arms about the Illinois meals tax, also referred to as the Illinois food tax. IRA President Andrew Kelley testified before the Illinois state legislature earlier this year, advocating the repeal of the tax, which he called "inequitable" and "unfair."

IRA has, in fact, been working for years to convince the legislature that the Illinois food tax constitutes "bad public policy" and that it should be repealed. As an essential component of life, IRA reasons, food should be assigned a tax-exempt status.

Prior to the beginning of the year, IRA had pursued repeal of the tax as it applied to the sale of food both in grocery stores and in foodservice facilities. On January 1, however, the association was forced to revise its strategy. Legislation became effective which rescinded the sales tax exclusively on food purchased in grocery stores.

Half of the battle was won? Not according to IRA. The association's position is that a partial repeal of the food tax is worse than no repeal at all.

By not taxing food sold in grocery stores while levying the tax on food sold for on-premise consumption, Illinois imposes an additional premium on meals sought by the dining-out public. Foodservice operators are, therefore, confronted with a five percent competitive disadvantage—the current rate of taxation.

IRA further contends that the tax penalizes those who can least afford the extra expense—the elderly, single heads of households, working couples and students. These individuals depend on foodservice meals. In fact, IRA statistics show that fully 83 percent of meals consumed outside of the home are *necessary* while less than 16 percent can be considered a *luxury*.

IRA is also concerned that the tax is imposing a "service tax" on meals purchased by the Illinois consumer. The association is mounting a class action suit on behalf of the Illinois consumer to seek judicial review of the tax. If it is determined that the tax is indeed a service tax, the measure will be inherently unconstitutional because service taxes are prohibited by the Illinois constitution.

Not the first battle . . .

The fight to repeal the tax is not the first time IRA has sought to protect Illinois operators. Earlier this year the Cook County General Assembly attempted to increase the sales tax on out-of-home meals in Cook County to nine and one-half percent in order to fund an expansion of the McCormick Place Convention Center.

With no prior warning the tax was attached to an otherwise inconsequential amendment. IRA learned of the rider and launched a full-scale campaign calling for defeat of the increase. Because the proposed tax represented a 35 percent increase in the Cook County foodservice tax, the association organized its largest legislative campaign in over a decade. A telephone marathon, generating 1,200 to 1,500 calls and telegrams from foodservice operators, convinced legislators to table the amendment.

Although this battle was won, the war continues. IRA's Board of Directors has taken an historical step by voting to launch a three year, $150,000 legislative campaign to repeal *all* discriminatory food taxes.

The first move to attain economic justice for the foodservice industry is HB2518, supported by IRA and sponsored by state representative John Cullerton. This bill is designed to phase out, over a three-year period, Illinois taxes on food for on-premise consumption.

To encourage passage of HB2518 IRA is urging Illinois foodservice operators to: (1) continue contacting state legislators and voicing opposition to the meals tax; (2) encourage staff and patrons to advise their state senators and representatives to support HB 2518 and (3) contribute to the IRA Tax Legislative Fund.

Not the only state . . .

Illinois is only one of more than 30 states where meals are taxed. According to Mr. Kelly, "State associations, with the help of local members and the national multi-unit chain operations, can reverse this tide . . . and reduce food taxes by at least 50 million dollars per year."

—Shannon Tuel

State associations promote restaurant hospitality month

As a salute to the foodservice industry, restaurant associations across the nation are recognizing October as "Restaurant Hospitality Month."

Realizing the crucial role that restaurants play in today's society, October was chosen to draw attention to the quality, variety and economic effect of the United States foodservice industry. In fact, the nation's foodservice industry sales are projected to reach $162.8 billion in 1984, making foodservice third in the nation in terms of retail sales and accounting for fully five percent of the Gross National Product.

To highlight this growing, dynamic industry, the Wisconsin Restaurant Association, for example, has provided a variety of made-for-radio and television news spots, such as: "Your schedule is hectic, with no time to prepare a family dinner. Well, relax! Dine out or carry out at one of your fine area restaurants. October is Restaurant Month, and area restaurants are eager to ease that hectic schedule!"

Similarly, the Texas Restaurant Association has been busy providing news releases emphasizing industry statistics, history and sales opportunities. And, in Michigan, media spots highlight the $138,275 in educational grants that the Michigan Restaurant Association has provided over the past eight years to young people entering foodservice schools.

THE BOARD ROOM

Sichuan Garden was one of Washington's 12 premier restaurants participating in the reception.

Rep. Gerald Kleczka (D-WI), right, enjoys the reception with NRA President and Chairman of the Board Harris Machus and his wife Elaine.

Sen. Arlen Specter (R-PA), center, conferred with NRA Past President Walter Conti, right, and NRA Executive Vice President Bill Fisher.

NRA Board hosts reception on Capitol Hill

Chef d'Oeuvre, the National Restaurant Association's second annual Capitol Hill reception, demonstrated NRA's hospitality to more than 180 members of Congress. Hosted by the association's Board of Directors during its fall meeting in Washington, DC, the September 18 reception provided NRA's governing body with an opportunity to meet informally with members of the Senate and House of Representatives.

"As the number of legislative issues confronting the foodservice industry continues to increase, it is imperative that we maintain a high degree of visibility among our lawmakers. This reception provided one very effective method," explained Jim Peterson, CEO of Whataburger, Inc., Corpus Christi, TX, and chairman of NRA's Government Relations Committee.

"By Washington standards, any event attended by more than 100 members of Congress is considered a success," stated Ron Sarasin, NRA staff director of government relations. Chef d'Oeuvre drew 189 senators and congressmen from 43 states. Guests ranged from House Budget Committee Chairman Jim Jones (D-OK) to Senate Labor Committee Chairman Orrin Hatch (R-UT). Rep. William Broomfield (R-MI), in a thank you note to NRA Executive Vice President Bill Fisher, wrote, "It was a lovely affair. It was nice to have an opportunity to meet many of your association members." Rep. Dan Coats (R-IN) wrote, "The Chef d'Oeuvre reception was just outstanding. . . . I truly hope it is a tradition. I wouldn't miss it for anything."

Twelve of Washington's premier restaurants (see box) donated their time and specialties, making the reception a culinary success as well. Two of the many outstanding dishes included La Maree's Gateau Delice—alternate layers of genoise cake and whip cream combined with chocolate, praline sauce and vanilla—and The Jockey Club's Salmon Mousse (recipe below).

NRA Past President Patrick O'Malley, left, spent time talking with Rep. Frank Annunzio (D-IL).

Elaine Machus along with her husband NRA President and Chairman of the Board Harris Machus, center, welcome Rep. Judd Gregg (R-NH) to the reception.

Participating restaurants

The Prime Rib—Herring Salade
Maison Blanche—Poulet Diplomate
Tiberio Restorante—Agnolotti and Fried mozzarella
Morton's—Filet mignon
Sichuan Gardens—Presentation dish: Wing Flapping of Eagle
American Harvest—Lobster Tortellini
Four Ways—Seafood Terrine
Jean Louis—Assorted desserts
Germaine's—Spring rolls, Szechuan Chicken Salad
Clydes—Raw bar
The Jockey Club—Salmon Mousse with Truffles
La Maree—Gateau Delice

NRA Vice President Ted Balestreri, left, greets Rep. Norman Lent (R-NY).

Salmon Mousse with Truffles, Basil and Salipicon of Lobster

2 pounds salmon, freshly cleaned
3 cups heavy cream
1 cup whipping cream, beaten to a soft peak
1 egg
¼ cup cognac
2 egg whites
salt and pepper to taste
1 tablespoon Lea & Perrins sauce
1 teaspoon Tabasco sauce
½ teaspoon nutmeg
2 tablespoons shallots
fish fumet
parchment

Garnish
¼ cup chopped truffles
1 cup chopped lobster meat (precooked and finely chopped)
¼ cup minced basil

Grind salmon with shallots, 3 tablespoons salt, 1½ tablespoons white pepper, nutmeg and cognac through fine die. Refrigerate mixture and chill the food processor for three hours.

Puree salmon mix in processor, stopping and wiping down sides after one minute.

Add 1 egg and 2 egg whites. Process until smooth. Then slowly add 3 cups of cream. When incorporated, move to stainless steel bowl.

Fold in Lea and Perrins sauce, Tabasco sauce and the garnish. Then fold in 1 cup of whipped cream. Test mousse for seasoning. Add salt and pepper to taste.

Roll mousse in parchment. Tie ends and poach in barely simmering fish fumet. When internal temperature is 140 degrees, remove from fire and let sit overnight in fumet. Serve with a fresh basil mayonnaise and with creme fraiche.

DRUNK DRIVING
The Industry Takes the Offensive

The dangers of drinking and driving are generating public concern. Dram shop laws are being enforced more and more frequently, and special interest groups are applying pressure at federal, state and local levels for sweeping legislation to combat the problem. In Massachusetts, for example, two cities banned outright all promotions that encourage drinking, and there may be public hearings on the possibility of a state-wide ban. In response to the concerns of their customers, restaurateurs nationwide are taking action by developing alcohol awareness programs in their establishments. Here is a look at what they are doing.

by Anne Papa

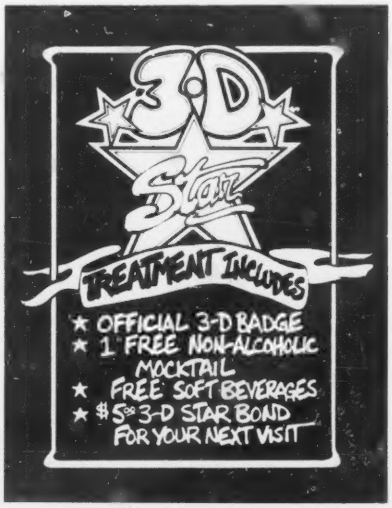
"Our industry is under fire," says Eugene Sage, co-owner of four upscale establishments in the Chicago, IL, area. "Every other segment of the licensed beverage industry has taken a stand against drunk driving. It's time for us to do the same."

Restaurateurs are taking a "stand" by implementing alcohol awareness programs in their own establishments. The message they are communicating to their patrons is not offensive. It is not threatening. It does not violate the hospitable premise upon which the industry is based. The message is quite simply: Please drink responsibly. We care about your welfare.

This stand often requires a two-pronged approach: efforts to increase customer awareness and an emphasis on employee training and education.

I. Increasing customer awareness

The challenge for the operator is to promote socializing without overindulgence and, if possible, to provide safe transportation home for those patrons who have drunk one too many. Restaurateurs have met this challenge with creative promotions and in-house programs.


3-D
Star
TREATMENT INCLUDES
★ OFFICIAL 3-D BADGE
★ 1 FREE NON-ALCOHOLIC MOCKTAIL
★ FREE SOFT BEVERAGES
★ $5.00 3-D STAR BOND FOR YOUR NEXT VISIT

Discount promotions, such as "two-for-one's" or "dollar pitcher night," can be replaced by promotional ideas which focus on atmosphere and entertainment. Theme nights—costume parties, ethnic festivals, holiday celebrations—are popular with customers and employees alike. Unexpected variations on a theme keep things exciting. One suggestion, for instance, is to sponsor an Irish Stew Cook-Off on St. Patrick's Day. The competition, the food and the Irish costumes worn by all employees can be so engaging that the absence of discount liquor promotions won't even be noticed.

Even during the happy hour a comfortable combination of good food, good company *and* good drink will draw business, eliminating the need for two-for-ones, half-price drinks and similar specials.

Confetti cares about you

Don't drive drunk

"Our cocktail hour is distinguished by our hors d'oeuvres," says Eugene Sage of Sage's restaurants. "We've discontinued all alcohol promotions and have felt no decline in our business. Our food and our atmosphere create a natural draw."

Weekdays at five p.m. at each Sage's location, buffet tables are set up and piled with free munchies. A typical day's selection includes three hot hors d'oeuvres—barbecued ribs, chicken wings, cheese toast—a fruit and cheese platter, and an assortment of dips. Servers fill small plates for each guest, so everyone has food in front of them at all times.

Because food consumed in conjunction with alcohol slows the intoxication process, Sage's restaurants continue to provide complimentary peanuts and pretzels throughout the evening. Extra cheese and dip platters are brought out each night, one half hour before closing time.

Sage's servers are also firmly instructed to make sure a customer's drink is finished before serving another, and to serve all straight drinks with water on the side.

In general, policy changes, such as elimination of discount drink promotions during happy hour, have met with customer acceptance—even appreciation. Some restaurateurs find that customers prefer the choice of how much they consume.

"Our sales are definitely up," boasts Eugene Sage. "People come to our restaurants more because they know they are safe. The police no longer patrol the highways in front of our restaurants, because they know we're in control of the situation. In fact, the city of Arlington Heights, IL, where one Sage's is located, recently awarded us a plaque of commendation for our program."

At Gilbert/Robinson establishments (47 Houlihan's Old Places and 15 additional dinner houses across the country) where happy hour drink specials have been discontinued in most locations, liquor sales have remained stable while food sales have increased. "Food sales are up because business is up," says Herb Jenkins, director of advertising for Gilbert/Robinson. "We're finding that by using diplomacy in dealing with customers, we can control the alcohol situation without offending or driving anyone away. People think it's great that we're acting on the problem. We've gotten a tremendous amount of press out of it, and public acknowledgement from MADD (Mothers Against Drunk Driving) and other local organizations."

Visual aids . . .

In addition to helping slow down the intoxication process with food items, many restaurateurs use signs, table tents, posters, badges and other visual aids to get the alcohol awareness message across. Many use slogans to cleverly discourage overindulgence. Examples include NRA's "Know Your Limit," Licensed Beverage Information Council's (LBIC) "Friends Don't Let Friends Drive Drunk" and Anheuser-Busch's "Know When to Say When."

YOU MAY WANT TO CALL ME A #!ø·?+·!, BUT I'D LIKE TO CALL YOU A CAB.
Have a cup of coffee on us, and if you'd like, we'll call you a cab.

IF YOU FEEL THIS GOOD, YOU MUST NEED A CAB!
Have a cup of coffee on us, and if you'd like, we'll call you a cab.

Large plexiglass signs that read "Don't Let Your Friends Drive Drunk" hang behind the bar in all Gilbert/Robinson restaurants. To augment the campaign, a three-dimensional poster will be added in the fall.

"The new poster will be mounted on a table in the lounge an hour before closing time," explains Jenkins. Complementing the poster, which says, "Don't Drive Drunk—Take the Time to Have a Cup of Coffee, or Let Us Call a Cab for You," will be the table itself, set up with coffee cups, cream and sugar. "If it's right in front of them, people will be more inclined to take advantage of it," adds Jenkins.

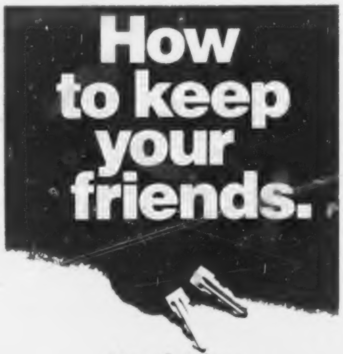
Restaurateurs also find the BAC (Blood Alcohol Content) charts, which match a person's body weight with the number of drinks necessary to impair driving ability, are attention-getters, especially when placed strategically in rest rooms.

Designated driver programs . . .

Some restaurateurs have gone one step further and have implemented programs designed specifically to reduce drunk driving. Designated driver programs, for instance, encourage customer participation and responsible drinking at the same time.

Grand American Fare of Santa Monica, CA, which operates 33 restaurant/saloons in the West and Midwest, instituted an "I'm Driving Club" this past June in 24 of its establishments. "The Club member is the individual who will drive the others in his or her group home," explains Rick Clark, director of marketing for Grand American Fare. "He or she is given a button, a membership card and free soft drinks all evening." As an added incentive, the Club member receives a gift certificate entitling him or her to a free drink at the restaurant at a later date.

Clark says the program has been enthusiastically received, especially among younger customers. Since so many Grand American Fare locations are near college campuses, the company has promoted the program heavily to students through on-campus presentations and ads in school publications. "Kids will come in out of curiosity," says Clark, "and find out we've got a good thing going."


How to keep your friends.

Keep their keys.
Friends don't let friends drive drunk.
Confetti cares about you

Raleigh, NC-based Darryl's 3-D (Darryl's Designated Driver) program also offers the 3-D badge wearer one complimentary, non-alcoholic cocktail. The "mock-tail"—typically an exotic, fruity concoction—is served at the beginning of the evening so that the designated driver may properly drink a toast with his companions. Posters and table tents promote the program, and servers wear badges proclaiming, "I can make you a 3-D Star."

George Burkhardt, president of the 32 Darryl's restaurants, agrees with Clark that the promotion is particu-

NRA's Alcohol Awareness Program

In response to concern among NRA members about drunk driving the National Restaurant Association has developed a comprehensive alcohol awareness program. The three-part program, introduced to members at the NRA Show in Chicago this May, emphasizes consumer education, employee education and in-house practices.

1. Consumer education. NRA is working closely with national organizations, such as MADD and the Licensed Beverage Information Council (LBIC), to alert the public to the dangers of drunk driving. The association has prepared a public service announcement to be aired on television and radio stations nationwide, and it is supplying members with posters and table tents for display in restaurants and taverns.

2. Employee education. NRA has prepared an in-depth seminar on alcohol beverage service. The seminar is conducted through state restaurant associations in a "train the trainer" format; representatives from each restaurant are taught the course content and the proper techniques of conducting a server alcohol awareness program on-site in their establishments. The seminar is also available through NRA's "Seminars To Go" series for in-house presentation to interested members.

Three audiovisual presentations highlight the three and one-half-hour seminar. The first features an attorney who has often litigated against alcoholic beverage licensees in court, explaining what he looks for when making his case. The second instructs restaurant employees how to determine levels of intoxication, how to handle the intoxicated customer and how to keep the intoxicated customer from getting behind the wheel of a car. The final presentation offers tips for merchandising alcoholic beverages, using creative promotions which emphasize moderation.

Role playing, self testing and presentations by local or state law enforcement officials are also included in the seminar, and a packet documenting seminar topics is given to all attendees.

Management/Server
Alcohol
Awareness
Program
National Restaurant Association

3. In-house practices. Various programs which the association advocates are described in a booklet contained in NRA's Drunk Driving Information Package. The booklet, entitled "Help Prevent Drunk Driving: A Restaurateur's Guide," outlines alternative transportation and designated driver programs, creative use of bar foods and alternatives to happy hour drink promotions. It also provides two case studies of establishments that have successfully implemented their own alcohol awareness programs.

For more information about NRA's Alcohol Awareness Program, call (202) 638-6100 or (800) 424-5156, or write: National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

larly well received by younger customers. "It is regarded as a nice option," he says. "We're fairly low-key about the program. We're not trying to ram it down anyone's throat, but the tents and posters remind people it's available."

Providing alternate transportation . . .

From time to time, the occasional customer will end up getting drunk. At this point, the responsibility of the restaurateur is heightened, and all efforts should be made to discourage the patron from driving himself or herself home. Dram shop laws and/or common law liability in 40 states and the District of Columbia hold the liquor licensee liable for injuries caused by intoxicated persons. Additionally, in some states the individual server—bartender, waiter, or waitress—can also be held partially responsible. That is why some restaurants, such as Gilbert/Robinson establishments and Grand American Fare units, give their bartenders a stack of calling cards which can be quietly presented to guests who have had one too many. The message on these cards is "Let us call you a cab."

Other operators, like Casa Gallardo Restaurants, the General Mills chain of Mexican restaurants throughout the Midwest and Southeast, have developed an alternative transportation program for intoxicated customers, working with local cab companies in each restaurant location. Appropriately named "Casa Cares," Casa Gallardo's program is designed so the restaurant will pay the first $10 dollars of an intoxicated patron's cab ride home.

The program has not been needed much since its establishment in July, according to Dave Leonard, vice president, marketing. "At this point, it is supplementary to our usual practice of serving free coffee and hors d'oeuvres to intoxicated customers," he says. "But safety on the roads is our first concern. 'Casa Cares' was created specifically with that objective in mind."

Houston-based McFaddin Ventures, Inc., (MVI), which operates a total of 23 nightclubs (Confetti's, elan's, Todd's, The Acapulco Bar, Rodeo and Thrills), has installed a direct-dial hot line to the Yellow Cab Company in all of its locations. Patrons of restaurant employees simply pick up the phone and a cab is on its way, with MVI picking up the tab. Although the short-term costs of beginning the program have been high, the corporation feels the long-term rewards far outweigh the expense.

Restaurateurs in Arvada, CO, have pooled their financial and promotional resources to establish the "Super Shuttle Service," which transports intoxicated patrons from participating restaurants and taverns to their homes. A second driver follows the shuttle in the patron's car. Participants in the program have found that the expense to the individual restaurateur is minimal, while the return in positive community relations is maximal.

II. The responsibility of the employee

The restaurant employee is a key contributor to the success or failure of any alcohol awareness program. While customers are encouraged to assume responsibility for themselves, the restaurant employee is often called upon to act as negotiator, mediator or arbitrator—roles he or she may not have considered when preparing to wait tables or tend bar.

Many organizations have developed training programs to help their employees cope with the drunk driving issue. Programs, such as NRA's Alcohol Awareness Program (see sidebar), are often designed as a "train the trainer" system, where an employee representative (usually a manager) is sent to a centrally-located seminar and then reports back to the rest of the staff what he or she has learned.

Additionally, many larger firms have developed their own in-house training programs. TGI Friday's, Inc., a 99-restaurant chain headquartered in Dallas, TX, is one such corporation.

Each new TGI Friday's employee undergoes an extensive three-week training program, three entire days of which are devoted to alcoholic beverage service. A team of company certified trainers teaches how to monitor alcohol consumption and follows through with period spot audits at all TGI Friday's locations to ensure strict adherence to company policies.

A particular incident demonstrates how seriously these audits are taken. "Recently a bartender allowed a customer to drink too much," recalls Will Hartfield, TGI Friday's associate general counsel. "Not only was the bartender fired, but the manager on duty also was suspended for not being on top of the situation. Our policy is quite simple. We don't want anyone getting drunk in our restaurants." Through a trained network of managers, bartenders and wait staff who regard control of alcohol consumption as a first priority, this policy is firmly enforced.

At the Great Escape, an upscale nightclub, lounge and restaurant in Weymouth, MA, owner Wade Federici combines in-depth employee training and customer awareness techniques. Along with a designated driver program, posters, badges and table tents, the Great Escape has become something of a local champion for the cause of employee education. In fact, the 450-capacity nightclub has been closed for business on occasion and used as an employee training ground. Area liquor licensees and Great Escape employees have attended the training sessions, conducted by a local university training consultant.

The Great Escape also invites community experts to address the staff. One evening a Weymouth policeman came in and had attendees drink in order to demonstrate how little alcohol is needed to get drunk. "A lot of people were surprised," says Federici. "The point was well made."

Developing a program . . .

Finally, it is up to each restaurateur to develop an alcohol awareness program best suited to his or her establishment. The clientele, short and long-term costs and rewards, current regulatory laws—all are factors that must be considered. In most cases, restaurateurs with successful programs did not arrive at them overnight; many tests, trials, starts and stops were necessary before settling on a specific approach.

Once established, however, an effective campaign is a positive reflection on both the individual establishment and the foodservice industry. It lessens the need for external legislation and, most importantly, it saves lives on the road. ❑

Materials available from suppliers

Major breweries and distilleries are aligning themselves with retailers and special interest groups in the campaign against drunk driving. Three in the forefront are the Miller Brewing Co., Milwaukee, WI; Anheuser-Busch Inc., St. Louis, MO; and The House of Seagram in New York, NY.

"After all," said a spokesperson for the Miller Brewing Company, "if anybody is aware of the abuse of the product, we are."

Miller's program, called AIM (Alcohol Information from Miller), is available to restaurants, taverns, liquor store owners, college campuses and community organizations through more than 700 distributors of Miller products.

KNOW WHEN TO SAY WHEN™

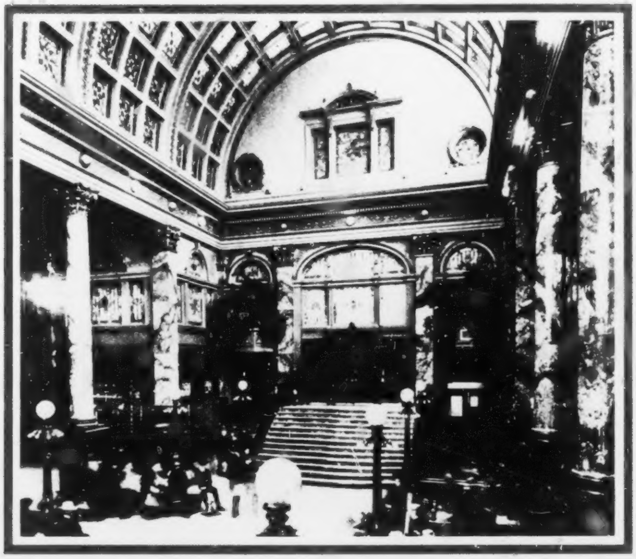
The program's purpose, as outlined in a 16-page booklet called "Somebody Do Something," is to establish the difference between alcohol consumption and alcohol abuse. The corporation supplies distributors with industry statistics, marketing tips and educational tools designed to encourage drinking in moderation.

Responsible marketing and consumption are the key elements of the Anheuser-Busch, Inc. program. The company has introduced LA, a low-alcohol content beer currently being tested in markets throughout the country. Responsible consumption is encouraged through the company's "Know When to Say When" campaign kit, which includes a movie, a manual and promotional posters and table tents. The package is available through Anheuser-Busch distributors.

The repeal of prohibition was less than a year old when The House of Seagram, began its program to promote responsible drinking. The first advertisement, which read "We Who Make Whiskey Say: Drink Moderately," was published in 1934. Today the company continues an aggressive campaign, appealing directly to the consumer through advertisements on television and in magazines. Additionally, all advertisements for Seagram's distilled products include the line, "Enjoy our quality in moderation."

INTRODUCTION

INTRIGUING OLDER BUILDINGS SERVE AS TRENDY DINING SITES



Pittsburgh's Grand Concourse before the renovation.

A church in New Orleans, LA, is turned into a restaurant serving smoked softshell crabs, a pottery factory near Cincinnati, OH, becomes a dining-out spot specializing in steaks, a waterfront building in Alexandria, VA, used as a hospital during the Civil War, becomes a seafood emporium, and a small-town bank in Shepherdstown, WV, is converted into a continental restaurant that draws its patrons from as far away as the nation's capital.

The opening of restaurants in old, renovated quarters formerly occupied by the unlikeliest of businesses has become a national pattern. Part of a trend toward rediscovery of our American heritage, marvelous old buildings—sometimes in the middle of small historic towns or in large innercity areas undergoing rejuvenation—are replacing high-rise office buildings and slick suburban shopping centers as favored sites for restaurants.

Architects call it "adaptive use." Restaurateurs call it smart business.

The Washington area is replete with good examples.

In the District of Columbia, The Broker, occupies quarters that used to be a slaughterhouse run by a meat broker. Marakesh, an opulent Moroccan restaurant, once was a truck repair shop. Fourways, the chic nouvelle cuisine restaurant, occupies a handsome Beaux Arts mansion, which once was the scene of lavish turn-of-the-century parties.

In nearby Virginia, Portner's restaurant in Alexandria once was a firehouse, and Landini Brothers, a few blocks away, was an 18th century warehouse. The Depot, at Warrenton, is housed in a Civil War-era train station.

In nearby Maryland, Old Angler's Inn at Potomac, once was an inn and carriage house and the site of an Indian village, while Mrs. K's Toll House in Silver Spring, was literally that—a toll house among a muddy Early American road trafficked by horse-drawn wagons.

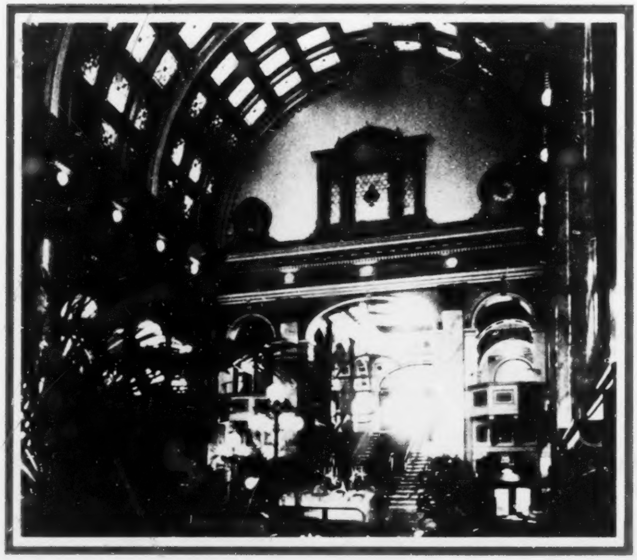
The "adaptive use" phenomenon—the restoration and conversion of old buildings for new uses—is not confined to restaurants in the Washington area. Across the nation railroad stations, warehouses and even churches are being reclaimed. Many of those buildings, some of which are more than a century old, now house a variety of establishments serving everything from smoked eel to steak.

In some instances, the restaurants have retained little of the interior character of the buildings—and more's the pity. But most have played up the historic or otherwise unusual aspects of the settings and turned them to advantage. Older interiors have been stripped away to reveal original bricks and beams, floor coverings have been rolled back to expose random-width boards and antiques have been used as decorations.

—John Rosson
Washington Times

RESTAURATEURS

PIONEERS OF HISTORIC PRESERVATION



Pittsburgh's Grand Concourse after the renovation.

by Robert L. Miller, AIA

In the last 10 years the number of restaurants in restored old buildings has multiplied in almost every sizeable U.S. city. Location, visibility, space/image and community leadership are combined to a greater or lesser extent in most of these projects. But, as a few examples from across the country illustrate, any one of these factors can take the lead.

Robert L. Miller is an architect and head of Robert L. Miller Associates, a Washington, DC, and New York City public relations firm serving building owners and building industry professionals.

If the phrase "historic preservation" still calls up a vision of blue-haired old ladies, take a second look around just about any American downtown. In the dramatic revival of urban centers across the country, the process of saving and finding new uses for old buildings has become popular and often profitable as well.

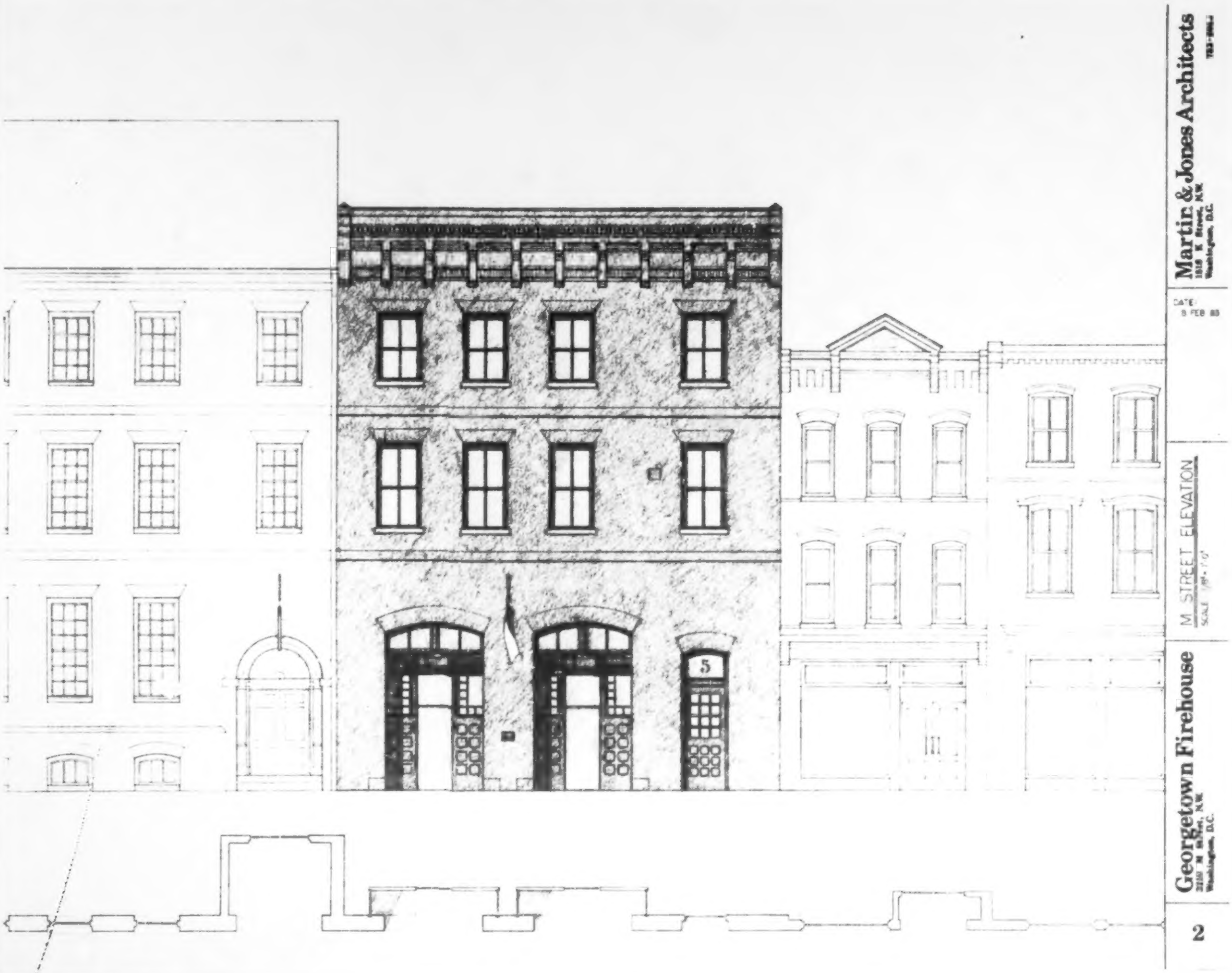
Sharing the honors and rewards with civic leaders, architects and developers are more and more restaurant owners, representing not only independent operations but also, increasingly, regional and national chains.

"Restaurant owners have been among the pioneers in reusing old buildings. One reason is that restaurants are accustomed to adapting to spaces, whether new or old," says American Institute of Architects (Washington, DC) President George Notter.

Architect Notter of Boston's Anderson Notter Finegold speaks from experience. In the early 1970s, his firm helped turn the oldest building on the Boston waterfront into the Chart House, part of a national steak-and-seafood chain that started in an old harborside building in California.

One of the first such projects on the East Coast, Boston's Chart House became the chain's most profitable restaurant. It also boosted commercial and housing development on the rest of historic Long Wharf and received credit for being a forerunner of the hugely successful Faneuil Hall Marketplace.

The Chart House remains a model for today's favorite preservation strategy: historically faithful restoration on the outside, creative and financially savvy restructuring on the inside. Faced with a warren of small cubicles, the architects removed the floors and cut through the old brick walls to make the whole building essentially one space. Although the lo-



cal code limited the restaurant to two levels, it did allow a mezzanine, and a striking multi-level dining space was rebuilt out of the old beams and boards.

The result is an exposed brick and wood interior. It is warm and light-filled in contrast to its austere warehouse-like exterior. The multiple levels define a cocktail lounge/waiting area and several dining spaces and permit a maximum of water and skyline views.

To help reduce the operating cost of electric heating and cooling, the architects specified added insulation between the old roof joists and a heat transfer unit that recovers exhaust from the cooking grills. Condensers, fans and duct work are all completely hidden beneath the slate roof.

The project took six months from design to completion at a 1973 cost of about $35 a square foot. As with any registered landmark today, the design, construction, financial and legal care required went far beyond that of a standard remodeling, and there were unknowns and risks aplenty.

Still, a historic preservation project like the Chart House offers the restaurant owner advantages that often exist nowhere else. Among these are prime locations, high visibility, interior spaces and "instant image" impossible to copy at any price and the opportunity to be seen as a leader in community renewal. And there may be sizeable tax, construction cost and energy savings as well.

Location

"Nice old buildings are usually well located to start with," George Notter points out. At the Chart House, a somewhat remote location with great views became prime real estate, thanks to the waterfront revival the restaurant itself helped create.

Sometimes taking on a preservation project is the only way to nail down a desired location. Washington, DC, Burger King franchisee John Courembis and a developer friend saw their chance when a city-owned firehouse came on the market near Georgetown's highly-trafficked intersection—Wisconsin and M Street.

Although the firehouse facade is a straightforward 1880's brick front, much of the interior is almost 100 years older, and the site lies within a tightly controlled historic district. Only Roy Rogers, a division of the Marriott Corporation, had landed a fast food outlet in this nest of bistros and boutiques.

The developers turned to local architects Guy Martin and David Jones, whose buildings manage to win preservation awards while incorporating some of the capital's most stylish modern design. Martin and Jones used the same combination to satisfy both Burger King's need for a clean, high-traffic space and the local review board's concern for one of the city's oldest structures.

The architects left the large, open fire engine room intact, adding stairs to sales counters on a lower level. "Even though everyone wanted the original space to remain untouched, it had contained two fire engines," notes David Jones. "So we designed two stairways to take their place and made them look, not exactly like fire engines, but very machine-like."

The review board accepted this solution, and also liked the idea of leaving the massive wood doors permanently "open," allowing customers to enter through working glass doors beyond. As a result, the owner and developer got their prime location and an attention-getting interior as well.

Visibility

While the Georgetown Burger King succeeds in its exceptionally high-traffic location despite a low-key street front, many other historic buildings are attractions in themselves.

In 1907 the custodian for the San Francisco Yacht Club in Sausalito began giving launch rides from a little building on the next pier. Over the years, Pop Lange's boat business grew to include bait, fresh crab and sandwiches, and the building was moved, expanded, altered and redecorated, eventually becoming a bar called the Glad Hand.

By the 1970s when Scoma's, a Bay Area seafood restaurant chain, decided to buy Lange's pier, Sausalito citizens considered it a landmark.

"The city would permit almost no alteration to the exterior. It was very frustrating," recalls architect Peter Walz. "But Scoma's recognized the value of staying friends with the community, and so we found a way to make things work 100 percent better inside with a minimum of disruption outside."

Walz and partner Ian Macleod (now of Treffinger, Walz & Macleod in San Rafael, CA) focused on one area, a recessed link between the original building and a later addition. If it were pushed out a few feet to accommodate a new entrance and bar, the result would be nearly invisible, they reasoned. The change inside, however, was dramatic. With the bar and incoming traffic relocated to the "link," the original building that had squeezed in 50 seats could now house more than 100.

Scoma's also undertook scores of behind-the-scenes improvements: reroofing an old lean-to addition; installing new windows and a new heating system; relocating and replacing cooking, dishwashing and refrigeration equipment; moving a rest room. But the success of the project also lies in what was not done. Inside and out, Scoma's looks and feels authentic and untouched.

Interior space

Scoma's Sausalito borrows from an old space to suggest a turn-of-the-century cafe. But it is more than historic significance that makes a space desirable. It is its quality, size and feeling as well. As George Notter says, "One reason for preservng an old structure is the 'found space'—often bigger and nicer than anything you can find in a modern building." Restaurants have borrowed the "instant image" and entertainment value of dining in a former bank vault, church sanctuary or movie studio. Whatever the reason, true historic preservation gives patrons a solid feeling of reality and quality.

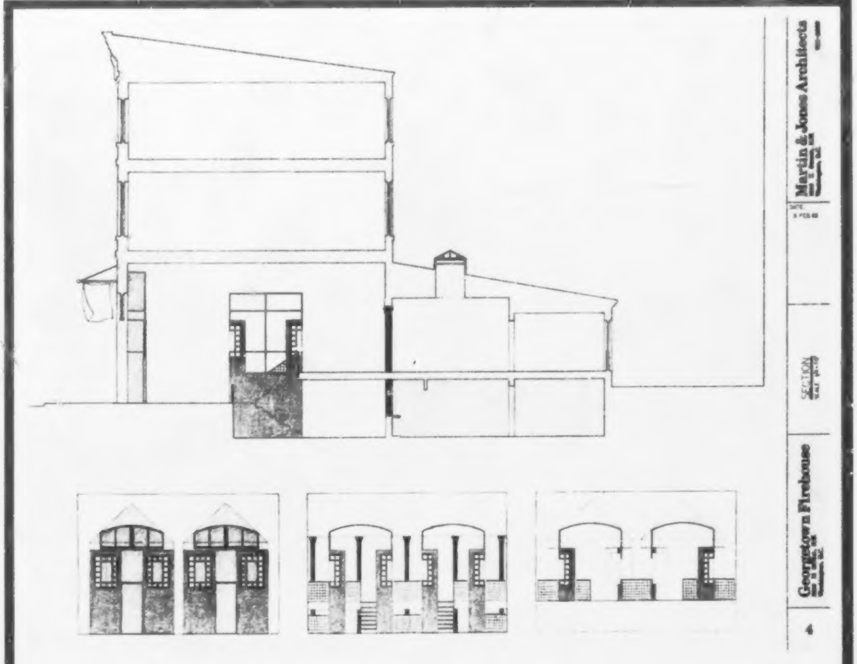
One category of reused buildings that evokes the past in an authentic but practical way is the railroad station.

In a modest station-turned-restaurant in Katonah, NY, tables and chairs are removed from the private dining room every night so that next morning the space with its bench seating can become a waiting room for the town's small group of rail commuters.

At the other extreme, the Chattanooga Choo-Choo complex sprawls over the Tennessee city's former downtown terminal with several restaurants, shops, a model train museum and a Hilton Inn that offers accommodations in restored Pullman cars.

One of the most successful of these railroad station conversions is Pittsburgh's Grand Concourse, a restaurant that epitomizes the idea that great spaces are where you find them.

Part of a rambling 1901-vintage station and office complex, which includes the working headquarters of the Pittsburgh and Lake Erie Railroad, the 500-seat Grand Concourse occupies facilities mothballed for years after the railroad discontinued



Getting started–some pointers

Once pretty much a seat-of-the-pants affair, today's adaptive use project has a lot of expert help to draw on. And, to satisfy local review boards and qualify for federal tax credits, this help is usually needed. If the property you own, or are considering buying, is in a historic district, the local preservation officer will be able to describe the approval process as it applies to your building and can probably recommend local consultants. Another source of information is the National Trust for Historic Preservation, a private organization in Washington, DC, that maintains several regional offices. The local chapter of the American Institute of Architects should be able to supply names of architecture firms and related consultants that are active in historic preservation. It also can point out award-winning projects.

While many full-service architectural firms now devote much of their practice to preservation and adaptive use, there are also more specialized consultants. A historic preservation consultant or architectual historian is often needed to research your building and report on its condition and historic and architectural significance. A preservation architect or preservation technology specialist can help you decide whether a deteriorated old building is sound and assess the time and cost involved in repairing and replacing historic details and fixtures.

Architectural firms frequently use these kinds of consultants as subcontractors as well as food service consultants and interior designers to advise on restaurant design. An architect is not necessarily less qualified for not having these services in-house; the architect's role is really to conceive and document the overall project and to coordinate the services of these and many other specialists.

In most historic preservation ventures, therefore, an architect leads the team. There are clear advantages to selecting a long-established firm with restaurant design as well as historic preservation experience. But because the renewed interest in architectural history is a comparatively recent phenomenon, a younger architect may actually know more about preservation strategies and be willing to devote more creative energy to your relatively small project.

Standard selection procedure applies:

- visit or look at photos of completed jobs by candidate firms
- talk with the people actually responsible to determine their compatibility and
- pay less attention to how many projects identical to yours they have done and more attention to how well they have served clients similar in size to your own operation.

Meanwhile, some time spent looking at nationally published projects can supply standards for comparison.

A good introduction to historic preservation and adaptive use is Barbaralee Diamonstein's *Buildings Reborn: New Uses, Old Places* (Harper & Row, 1978), with some 20 examples that involve restaurants. The Advisory Council on Historic Preservation publishes *Where to Look: A Guide to Preservation Information*, available from the U.S. Government Printing Office; in addition to listing hundreds of publications, this book includes names and addresses of national and local organizations.

The main non-federal source of information and advice is the National Trust for the Historic Preservation, 1785 Massachusetts Ave., N.W., Washington, DC 20036. The Trust publishes the monthly *Preservation News* and the quarterly *Historic Preservation* magazine. In addition, professional journals, such as Architecture (formerly *AIA Journal*), *Architectural Record*, *Progressive Architecture*, *Interiors* and *Interior Design*, cover preservation, restaurant design and sometimes both together.

passenger service. Happily, these largely intact spaces found an experienced developer in Chuck Muer. His Gandy Dancer restaurant in Ann Arbor, MI's former station was one of the first such projects in the country in 1970. Muer recognized an excellent riverfront location, directly opposite the heart of Pittsburgh, which local civic leaders had already committed themselves to save and redevelop.

In spite of a lavish $2 million refurbishing, the main impression of the Grand Concourse is that not much has changed since 1901. The main dining room occupies the high, vaulted waiting room with its restored stained glass skylight, marble columns and polished brass.

The baggage room and ticket office are now a saloon and oyster bar with original white tile floors and dark wood counters. And the addition of an unobtrusive window wall has helped transform the covered loading dock into the River Room, a kind of trackside cafe with views of the water, an occasional train and the Pittsburgh skyline.

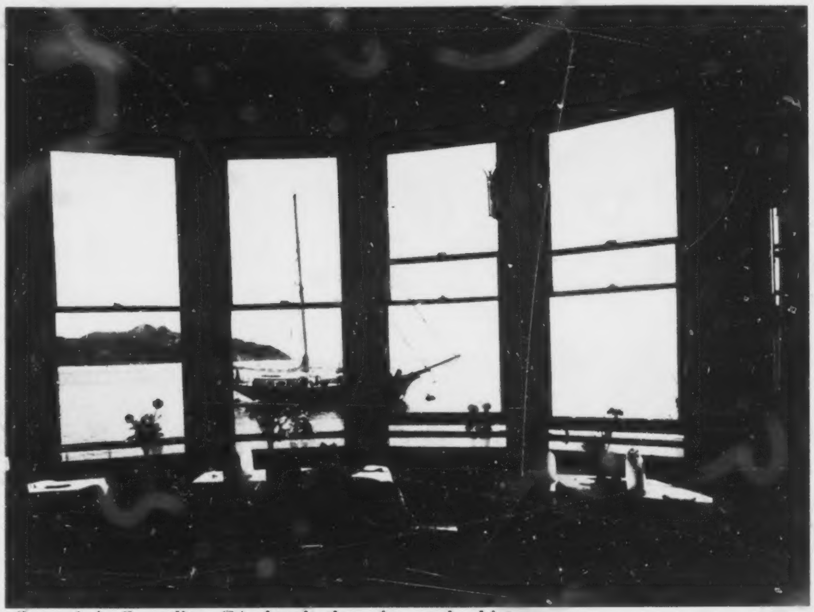
Community leadership

The Grand Concourse and other restorations have become the cornerstones of large mixed-use developments. The catalytic effect of these projects has become so well-known that even small cities and towns are turning to preservation as a panacea for declining downtown areas. One case in point is Danbury, CT.

In this birthplace of American composer Charles Ives, city officials are looking to a restaurant—Fitzwilly's, part of a small chain that is taking over the newly recycled Ives Street firehouse—as the key to turning things around.

According to Mayor James E. Dyer, "The Ives Street firehouse is the key because it shows the city is committed to spending some of its own money to lead the way to redevelopment." To the owner-developer team's one million dollar investment, Danbury is adding property tax abatement, $70,000 worth of new sidewalks and streetlights and free use of a city parking lot.

The city is hoping that Fitzwilly's will kick off a downtown plan that includes adaptive use of the former post office for shops and office space, new


Scoma's in Sausalito, CA, has both a view and a history.

pedestrian paving and relocation or remodeling of incompatible businesses, such as an auto repair shop. At least one merchant has volunteered to remodel his storefront to "match the look" of the firehouse, saying "whatever they do, I'll do better." None of this activity or the accompanying publicity has hurt Fitzwilly's.

Randolph Langenbach

Boston's Chart House is the oldest building on the waterfront.

Financial advantages

Recent changes in federal law allow developers in a federally designated historic district to apply for tax credits for up to 25 percent of their investments and to figure depreciation on a favorable basis compared to new construction.

But to be eligible, properties must be listed on the National Register of Historic Places, and renovation plans must be approved by the Interior Department officers who administer the National Register.

Despite careful and creative design, neither the Ives Street firehouse nor its counterpart in Georgetown qualified for tax credits on their first application. After an appeals process and some minor redesign both should be eligible. In both cases, while the tax credits make preservation more attractive, participants agree the projects can be profitable without them.

Like federal tax credits, there are other financial advantages of preservation that are a potential plus but not a given. State and local tax incentives, as well as public and private grant money, often exist but may vary on a city by city, year by year basis. Construction cost savings—as in all construction, new or remodeled—will also vary widely, case by case. Often the ingenuity of the design and construction team or the local labor and materials market will have more effect on cost than the old building itself. In general, a "found" space that truly fits a restaurant's needs can save thousands compared to a comparable new space. And what new space is truly comparable to one like the Grand Concourse?

The massive construction, high ceilings and well-planned natural ventilation of many historic structures can also result in energy savings. But staff and patrons will have to cope with the occasional gust through an open window as well as an occasional too-hot or too-cold day.

The pitfalls of preservation are often literal ones—a missing foundation wall, say, where you had planned to put your heaviest refrigeration equipment, revealed only when the old floorboards are removed.

Political factors can be equally unpredictable. Rather than fight a local preservation group's insistence on saving the crumbling and mostly unhistoric rear walls of a row of townhouses, a recent Washington, DC, project recouped the added expense by making the rebuilt rear facade the focus of a new mid-block atrium. The area with the missing foundation may be just the spot for a sunken cocktail lounge. Owners—and their consultants—with no tolerance for this kind of uncertainty should probably leave old buildings alone.

In sum . . .

Studies consistently show that historic preservation pays, but they don't answer the question of whether it will pay for *you*. For that you'll need your own study—not just a financial, legal, architectural and engineering study of the property in question but also a weighing of your goals and how preservation can help accomplish them.

A historic preservation project can be long and demanding, so prepare your restaurant to get the maximum benefit from it with a good marketing plan, a public relations strategy keyed to the interest your project will surely generate and an overall image program, from uniforms to graphics, consistent with your new old space.

And if the red tape and the experts become too intimidating, remember that in historic preservation, restaurateurs are—historically—the natural leaders. ❑

FROM FOUNDRY

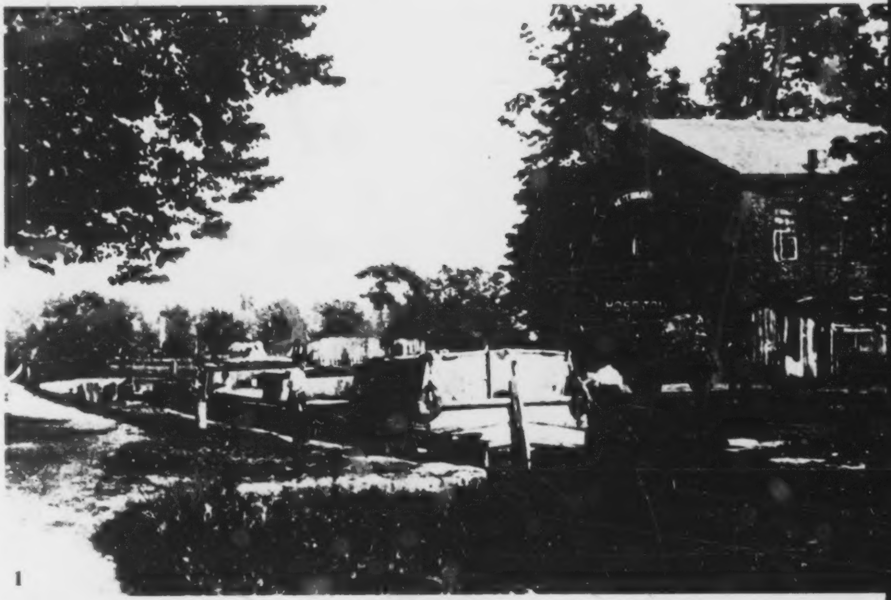
When William T. Duvall, a Washington, DC, machinist, erected his foundry along the C & O (Chesapeake and Ohio) Canal in Georgetown in 1856, he had no idea that his building was destined to become a chic restaurant more than one hundred years later. Today The Foundry, as the restaurant is called, is an upscale establishment that appeals to both tourists and residents.

The building has changed considerably since the days of Duvall. It housed a variety of businesses, including a veterinary hospital which cared for the mules that pulled barges along the canal.

Structurally, the building has been enlarged and altered. The changes to the exterior are fairly obvious now that the aluminum paint, which covered the building in the 1960s, has been removed. The areas where new brick and mortar were added are obviously lighter in color and coarser in texture than the rest of the walls. The adjacent building that houses the offices, kitchens and storage for The Foundry restaurant is another recent addition as are the windows.

The interior changes are harder to identify as no historic photographs exist of the interior, and the materials—such as heavy woodworking—are consistent with the materials of a mid-19th century industrial building. Obviously the staircase, seating and bar are recent additions. Less obvious is the fact that the brick walls between the rooms are only faced in thin brick veneer. This suggests that what was originally two open floors has been subtly divided into several dining rooms of various size and atmosphere.

The changes in the building are paralleled in the changes in the site. When Duvall occupied his machine shop, Georgetown consisted of open space along the canal. Much of the land was being farmed. Any hint of farming is long gone, and virtually no open land exists except for the canal. The area becomes more developed nearly daily with new offices, condominiums, stores and hotels. The more Georgetown develops and changes, the more The Foundry becomes an important reminder of a bucolic past.



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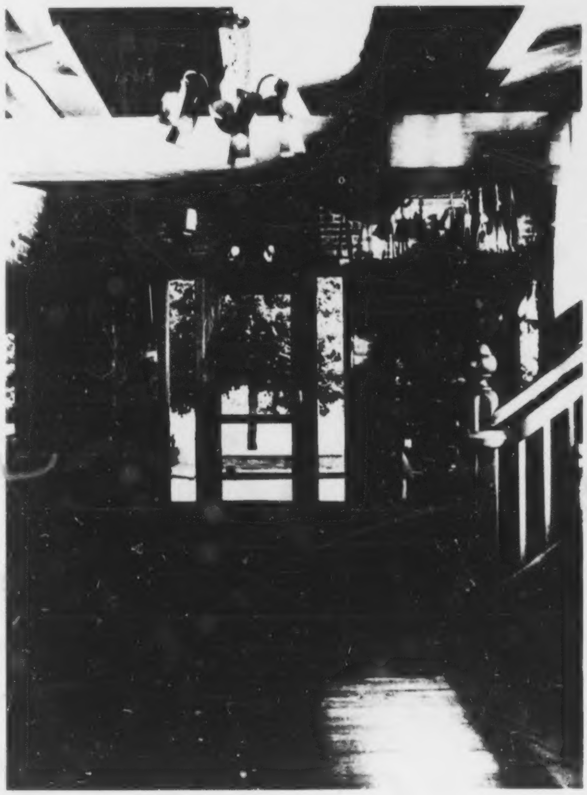
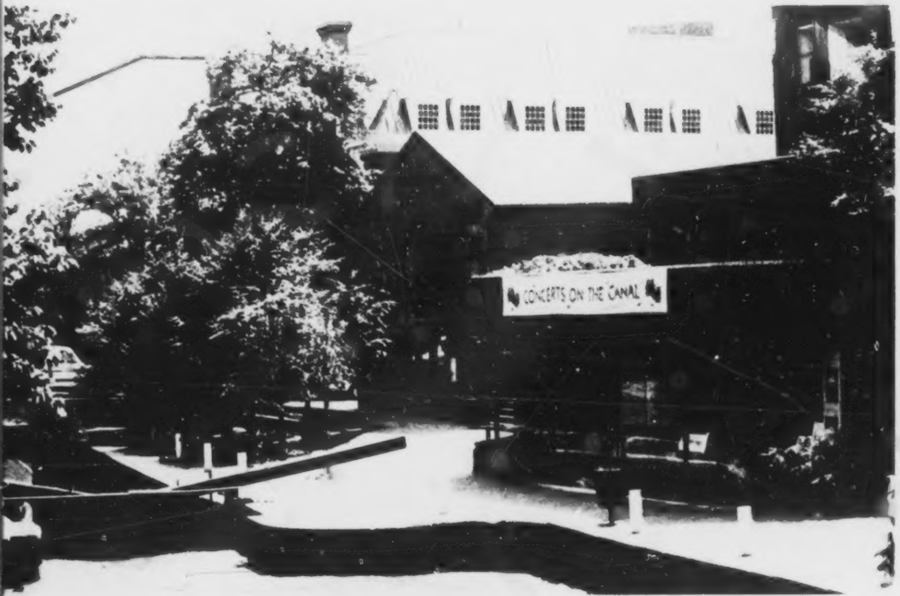
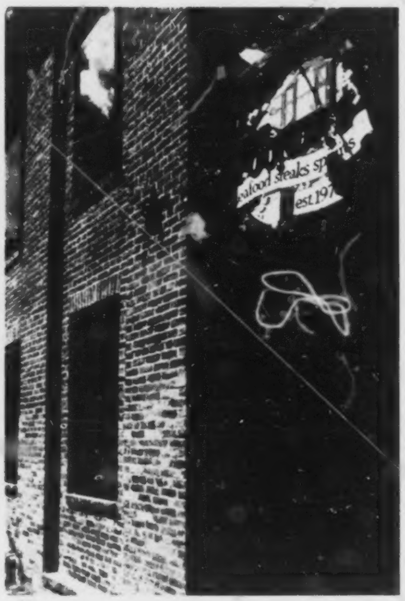
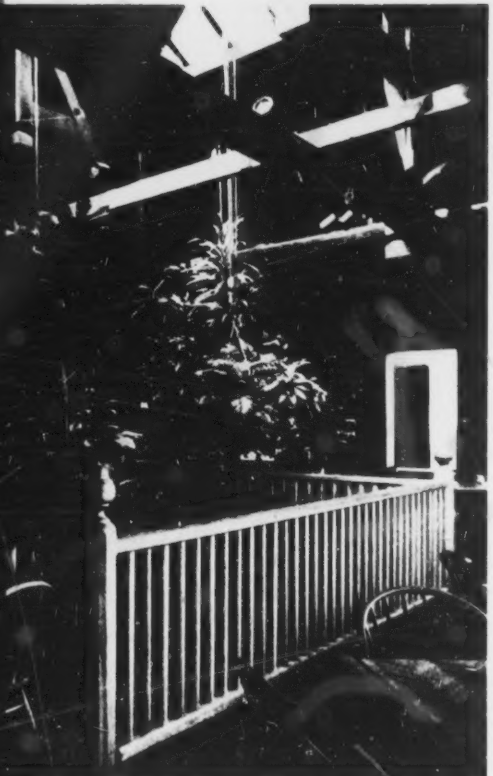


TO RESTAURANT CHIC







1. Photograph taken circa 1914 by William Vetter, looking southeast across the C & O Canal at the building that is now the Foundry restaurant. It was then being used as a veterinary hospital. Notice the attached shed to the right and the wooden doors at the first floor extreme right. The large opening on the second floor has wooden panels that could be opened to lift machinery or animal feed into the building. All these features have been changed.

2. Current photograph taken from nearly the same spot and angle as Vetter's. The Foundry is no longer an isolated, freestanding structure. It is now flanked by a 1940s power house (far left), a 1980s colonial style office building (second building from left) and, to the right, a retail/office complex.

3. Current photograph showing the 30th Street side of the building and part of the front facing on to the canal. Prominent are two star anchors between the first and second floors. The anchors are actually plates holding in place tie rods running the width of the building, preventing the walls from bowing out. In addition to the relatively recent sign, the building has undergone other changes: tinted, single thermal pane windows replaced earlier multi-paned windows, and mortar and brick have been replaced along the corner. (The newer brick is lighter in color and the new mortar joints are thicker.)

4. First floor, looking at main entrance and the canal. To the right is the staircase leading to the second floor. The photographs along the wall are historic views of Washington and Georgetown. Although the interior of the building has been altered several times, the heavy timbered beams and posts, the exposed brick walls, the staircase's newel posts and exposed air-conditioning duct are all in keeping with the look of an industrial building.

5. Front dining room on the second floor, showing staircase in center and part of the roof truss from which plants on pulleys are hanging. Through the arch in the rear are three other dining areas, more secluded than this one.

Photography and descriptions by Bill Lebovich.

FROM OLD BUILDINGS
TO NEW MARKETPLACES

by Andre F. Shashaty

When the restored buildings of the Faneuil Hall Marketplace opened in Boston in 1976, Bobby Hillson's small French restaurant on St. Botolph Street was not doing well. The renovation of historic buildings in inner city neighborhoods for retail use was a still unproven concept, but Hillson and his partner decided to gamble on the new idea.

They opened the 3,800-square foot Cityside Bar and Restaurant at Faneuil Hall on January 18, 1977. Ten days later, Hillson was so impressed with its sales he asked the Rouse Company, which developed the project, for space to open a second restaurant.

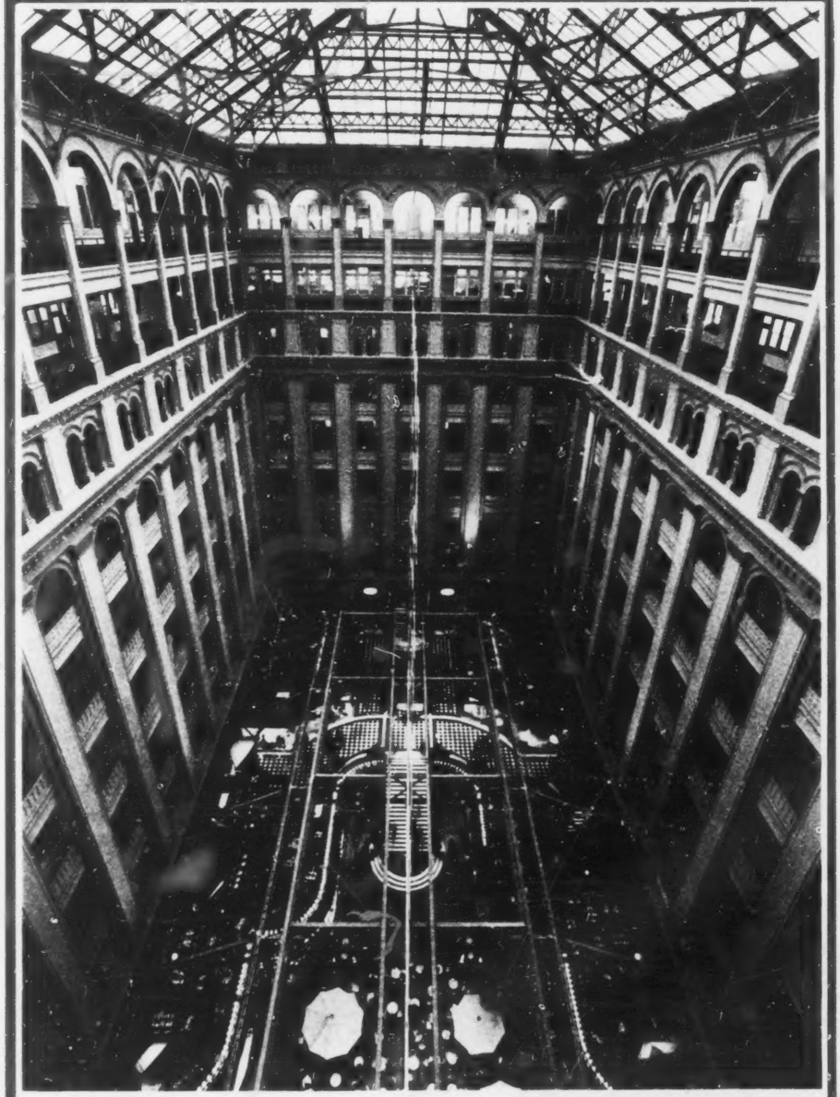
"Rouse wanted a seafood place," Hillson recalls. "We said we could do it." But this time the partners more than doubled their floor space, opening the 8,800 square foot Seaside Bar and Restaurant on August 26, 1977.

Today, Faneuil Hall is attracting 15 million visitors a year, and Hillson's two operations are ringing up total annual sales of about $6 million a year or about $476 per square foot.

Faneuil Hall was just the beginning of the trend to convert rundown but historic buildings into specialty retail centers that are drawing people back downtown to celebrate urban life.

The Rouse Company set the pace with Faneuil Hall, New York's South Street Seaport and dozens of other developments in major cities. But other developers are duplicating the Rouse Company's successes in large and small cities alike, and the restaurateurs who locate at the new developments are reporting brisk sales.

"Developers have seen the success of Rouse's projects and are looking at their own cities," says Tom O'Connor, editor of *Shopping Centers Today*. "Now that the regional markets are shrinking, they are looking back at the areas they left behind—the smaller, inner-city centers."



In Washington, the Romanesque revival Old Post Office had been marked for demolition as part of the redevelopment of Pennsylvania Avenue before preservationists won their battle to save the 1899 structure. After five years of work to reverse the ravages of age and unkind alterations, the building has regained its original grandeur.

Aboud Dweck

Although startup costs and rents are often higher than free-standing locations or space in regional shopping centers, restaurateurs say the variety and excitement of the historic marketplaces yield greater traffic and higher sales than other locations.

The marketplace is an event . . .

"You can't do as well in a free-standing location," says Hillson. "The marketplace is so much better because it's not just a restaurant; it's an event."

Specialty retail centers make food a main attraction because, unlike malls and other shopping centers, they do not include well-established department stores to attract shoppers or "anchor" the project. They emphasize a mix of smaller, specialty retail establishments catering to impulse buying with discretionary income. They offer entertainment and variety.

"People go to suburban shopping centers primarily to shop. At a specialty center, they go especially to go to a restaurant or just to walk around and have a good time," says Scott Ditch, the Rouse Company's vice president for public affairs. "If you put together the right combination of things, it becomes a magnet unto itself. People are looking for a larger sort of urban experience to enjoy the city in its best light. Food is the universal glue. At one time or another, everyone eats."

"Food is absolutely critical and fast food especially is critical. If fast food doesn't work, the project doesn't work," adds Robert Powell, general manager of The Pavilion, an eclectic mix of restaurants and shops in the restored Old Post Office in Washington, DC. The Pavilion, built by the Evans Development Company of Baltimore, MD, draws as many as 10 million visitors a year, and 70 percent of these people buy food or have a meal, according to developer estimates. Lunchtimes are particularly strong at The Pavilion and other urban marketplaces that are located within walking distance of hundreds of thousands of office workers.

Opportunity for all kinds of operations . . .

There are opportunities for all kinds of restaurants at the historic urban marketplaces—from elegant, full-service restaurants to french fry stands. Variety is part of the formula.

In most developments, there are full service restaurants to attract the luncheon business account diners, specialty restaurants to draw local residents and visitors for dinner, and a bar/restaurant or two for happy hours and evening entertainment. Fast food offerings from every region of the world appeal to tourists, strollers and grazing office-workers.

Developers go to great lengths to find a variety of complementary—not competitive—offerings to keep people coming back for more. "Every space has a different product line that appeals to people," says Steven Stunda of Godine and Stunda Inc., describing The Shops at Station Square in Pittsburgh, PA. "They come six days in a row and never eat in the same place. We have everything from sushi to ribs."

In some historic marketplaces a dozen or more operations are clustered around a common seating area. In addition to the economies of sharing the cost of seating space, the food court concept offers visitors a plethora of choices for a snack or a full meal of complementary items from different vendors.

"I think we are on the cutting edge," says Powell, describing the food court at The Pavilion.

Known as The Cookery, it includes 15 fast food operations. One side, Embassy Row, offers international fare, and the other, Main Street, offers ribs, chicken, french fries and other American standards. The Pavilion also houses five full-service restaurants outside the food court.

Local operators are preferred . . .

Whether it's a full-service restaurant or fast food establishment, specialty retail developers look for operations with unique local flavor. They prefer successful local operators who are ready to expand or even a newcomer with a good idea to chain or franchise operations.

"It's not that we don't like chains," Scott Ditch explains, "but we are trying to reflect the best of what cities offer so that visitors will find something they would not find at home."

Developers also prefer to lease to local owner-operators on the assumption that they provide better management. "I really like on-site managers," says Steven Stunda. "I like entrepreneurs who will give their lifeblood to make it succeed."

Some developers will even help operators get started. If their idea is good enough they often provide generous allowances for leasehold improvements, sometimes as much as one million dollars in cash to help with construction costs.

"It takes a great deal of handholding and personal contact," says Robert Powell, who helped four new operators get started at The Pavilion. "We help with the design, pro formas, purchasing, even getting a business license. We don't actually loan money, but we can help them get loans."

The developer/operator relationship . . .

Before restaurateurs sign a lease, however, it's important that they understand the nature of the restaurateur's relationship to the developer and to the development as a whole. It's not just a matter of paying rent on time. Every tenant's success depends on the fate of the project as a whole, and that requires cooperation.

Some developers spell out all of the tenant's responsibilities in an all-embracing lease. Others focus on key concerns. Most developers, for example, insist on the right to approve restaurant designs to control the overall image of the project. Menus are generally part of the use clause in the restaurant's lease. Changes must be approved to ensure that they do not compete with other operators.

"We're not concerned with the color of the tablecloths, but the presentation to the street or the outside," says Scott Ditch. "We encourage variety, but designs must be harmonious."

If a developer is very eager to sign on a restaurant, everything from tenant allowances to lease terms and rents can be negotiated. But the standard rent structure requires a base rent per square foot up to a set level of sales, called the breakpoint, and a percentage of gross sales thereafter. Most tenants must also pay utilities and a pro rata share of common area maintenance charges. In addition to common area charges, tenants also must contribute to a cooperative advertising fund and, in some cases, full service restaurants must advertise on their own, too.

The Shops at Station Square project has one of the more liberal promotions schemes. Although Godine & Stunda controls management and requires participation in nine holiday advertising campaigns, the firm lets the merchants' association decide how the promotional dollars will be spent. The developer helps out by contributing 25 percent of what the tenants must pay for promotion.

Rents, costs and sales . . .

The percentage rents for restaurateurs in historic marketplaces are generally comparable to those at other locations, usually around six percent. But the breakpoint may be higher, according to Fred Hipp, executive vice president of Gilbert/Robinson Inc., which operates restaurants at Faneuil Hall and Station Square. Fast food base rents run up to three times higher per square foot than those for full-service restaurants.

"The developer is guaranteeing himself a minimum rent regardless of how successful you are, and that's where the risk comes in," Hipp says. Before you agree to pay those rents, he warns, "You've got to be damn sure of your concept."

Of course, developers who know they have a hot property will charge as much as the market will bear. In the Rouse Company's case, basic rents run from 10 to 14 percent of gross sales and as high as 18 percent when all occupancy costs are included.

Start-up costs are also higher at historic marketplaces, partly because of the intricacies of constructing a restaurant without damaging the project's historic features and partly because of the higher cost of construction in urban areas.

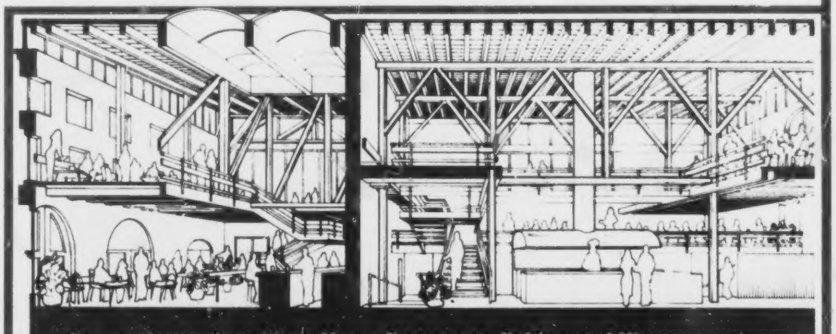
It cost $2.5 million for fixed equipment and construction to open The Coho, a 16,500 square foot seafood restaurant on the top floor of the South Street Seaport's Fulton Market, according to co-owner Don Vita. The costs were higher than planned largely because of the cost of union labor and overtime needed to meet Rouse's opening date. However, the Rouse Company did contribute $500,000 toward those costs.

For many operators, common area charges put the largest squeeze on their cash flow. They complain that their pro rata shares of those costs keep increasing, regardless of whether business is good or bad. Full-service restaurant operators say the charges, assessed on a square footage basis, put a disproportionate burden on their operations.

Vita said the base rent charged for The Coho's South Street location was not a problem at $15 a square foot, with an increase scheduled every five years. But he renegotiated his lease to a straight percentage rent because common area costs were "way out of line" at $35 a square foot.

In order to support those kinds of costs, restaurateurs must do high-volume business, and many of them are. The Coho, for example, estimates it will bring in $5 million for its first full year of operation. This is equivalent to $300 per square foot.

Pavilion tenants in Washington, DC, are averaging sales of $600 per square foot for their first year of operation, according to Project Manager Powell. But operators there indicate the full service restaurants are not



Perspective section, Chart House Restaurant, Baltimore, MD.

Historic marketplaces in the suburbs

If you think you have to move your operation to a major city to cash in on the historic marketplace trend, you haven't been to 100 Center Complex, a collection of 40 shops and six restaurants in a renovated brewery about seven blocks from downtown Mishawaka, IN.

Combining imagination, a love of history and lots of hard work, developer T. Brooks Brademas has turned the Kamm and Schellinger Brewery into a lively retail and entertainment center that proves carefully planned historic marketplaces can thrive in cities of any size, in this case, a suburb of South Bend.

Built in 1853, the three vacant brewery buildings were converted into retail space, a movie theater and four restaurants—The Vault, The Rathskeller, The Ice House and The Fondue Parlor.

The 19th century home of one of the brewery owners was transformed into The Hacienda, a Mexican restaurant, and a new building was erected to house The China Rose which serves—you guessed it—Chinese food.

Brademas himself managed The Ice House and The Vault for almost 12 years, but sold both operations to local restaurateurs last year.

Brademas reports that the restaurants are doing well, attracting enough people to fill his parking lots every night. The Hacienda is doing $3 million in annual sales, and The Ice House is dishing out light American fare to the tune of $1.5 million a year.

Now that the center is self-sufficient, Brademas is helping his restaurant tenants expand. But he can't help looking back on the past with a sense of accomplishment.

"Before we started, almost everyone who looked at the buildings said we would never make it. Fifteen years later we're still going strong. If people have visitors from out of town, they bring them to 100 Center Complex."

11 questions to ask before locating in a historic marketplace

Sales figures for restaurants located in historic marketplaces can be outstanding, but the costs are high and some operators have been disappointed by the results. Here are 11 questions to help you assess the potential of a historic marketplace before you sign a lease.

- **How good is the location?** Your first consideration should be the location, not the character of the project. Make sure it is convenient and easily accessible by foot, car and public transportation.
- **Is the project part of a comprehensive revitalization plan?** Many historic projects are located in inner city neighborhoods that are being revitalized, but make sure you won't have to wait too long for the neighborhood to catch up with the project.
- **What markets will the project draw upon?** To ensure a steady flow of customers during weekdays, evenings and weekends, a project must tap several markets, including office workers, tourists and conventioneers. Nearby residents can be the key to good weekend and evening business.
- **Is the project a destination in itself?** If the location looks good, consider whether the project has the character, variety and amenities to become a destination in itself. The most successful projects combine a historic building or setting, views of a waterfront or skyline, entertainment and a dynamic mix of merchants.
- **What is the developer's reputation?** Find out what other projects the developer has done, how they have performed and how the developer has dealt with other tenants. Look for a developer with a good track record.
- **How high are the occupancy costs?** Percentage rents for historic marketplaces are generally in line with regional malls. But watch out for high base rents, which you will pay regardless of how well you do, and common area maintenance charges, which may be passed on to you with no specified ceiling. If you don't like the terms, you may be able to negotiate a better deal.
- **How will you cope with seasonal fluctuations in business?** Most operators report a drop in business during the winter. Consider traffic patterns (Is the project enclosed or do customers have to walk outside?) and employment restrictions (Can you lay off personnel and rehire them when business picks up?).
- **How high are start-up costs, and how generous is the developer with allowances for tenant improvements?** Historic projects often involve higher start-up costs, but some developers offer generous tenant allowances.
- **What are the arrangements for promotion of the project?** People don't just come back downtown automatically. Find out if the developer has a good plan to give the marketplace a strong public identity and how much it will cost the tenants.
- **Are the developer's projections realistic?** Study the developer's traffic and sales projections for the project. Find out if the developer is willing to renegotiate leases if the projections are not realized.
- **How do the rents and sales potential compare with other locations?** If you think you have a good idea of the sales potential at a historic project, ask yourself whether that potential justifies the added cost of locating there.

doing as well as the fast food operators.

Fitch, Fox & Brown, a 300-seat restaurant in The Pavilion featuring new American cuisine, was aiming for first year sales of $350 per square foot, according to co-owner Norman Gross. "We're going to fall substantially short of that," he says, largely because the tourist traffic is gravitating toward fast food. Nearby office workers give the restaurant a strong lunch business, but he says evenings and weekends are slow.

Success not guaranteed . . .

Success in historic marketplaces is not guaranteed. It takes time for a project to win a public following, especially in the winter when traffic often slows to a trickle. And if business is bad, the restaurateur is usually the one who takes a beating.

Barbara Witt is one of several operators who fell victim to seasonal fluctuations in traffic at Harborplace, the Rouse Company's waterfront project in Baltimore, MD. As president of The Big Cheese, Inc., a gourmet restaurant emphasizing cheese dishes, she decided to move the successful Washington operation to Harborplace and opened a 100-seat operation there in 1982. The Big Cheese closed 15 months later.

Although the Rouse Company claims Harborplace attracts 18 million visitors a year, Witt says the traffic was not what the developers had led her to believe and that winter, in particular, "was the pits."

But, she adds, The Big Cheese was also the victim of its own concept—too sophisticated for many of the visitors to Harborplace.

Rouse Company spokesman Ditch concedes that there have been problems in some projects and adds that there are no guarantees. Even when a developer chooses the perfect location, it can take a long time to attract a following, especially in the evenings and weekends. But a good location and good track record usually pay off, says Fred Hipp of Gilbert/Robinson, Inc. And the concept of a historic marketplace has longevity. ❏

Widow
Finney's

BUILDING A DREAM

IN READING, PA

by Cecelia Niepold

Ever dream about restoring a time-weathered building and molding it into something special? Many of us do, but most dismiss such ideas as pipe dreams—out-of-reach, unrealistic fantasies. Susan Brubaker and Arlene Unger, though, transformed such a dream into reality. Using good old American ingenuity and sheer determination, they turned three historic buildings in downtown Reading, PA, into a successful restaurant.

Their dream began to take shape when the two women, both former school teachers, discovered the buildings were scheduled for demolition. Brubaker and Unger simply decided that the unique cluster of buildings—a 1734 log cabin (the oldest standing structure in Reading), an adjoining brick townhouse built around 1810 and a large turn-of-the-century market shed (built as an indoor farmers' market) was an important piece of Reading's history and should be preserved for people to enjoy.

To win the city's approval and to gain the necessary financing, they had to create a business that would generate enough cash to restore the buildings. "The business we had expertise in, by virtue of being homemakers and very good cooks, was the restaurant business," explains Brubaker. So, with a sizeable collection of early American recipes, a love of local history and a lot of determination, the partners created Widow Finney's restaurant.

Before they could open the doors to their restaurant, however, they had to tackle the actual restoration. An architect and a craftsman helped with the technical details, but family members and friends did most of the labor to save money. Altogether it took 18 months and a lot of elbow grease. Along the way, Brubaker and Unger discovered some fascinating pieces of American history. For instance, after removing the siding which covered the original log cabin, they found the original logs and chinking (river clay, plant life and straw used as mortar) still intact. They even unearthed an old musket ball.

In 1980 Widow Finney's opened with 55 seats, a kitchen full of secondhand equipment and a distinct early American atmosphere brought to life by the original pine log walls, planked wooden floors, calico and patterned tablecloths, ironstone china and waitress uniforms of long, patterned skirts and homespun blouses.

From the opening day, the partners have been committed to providing customers with a unique historic dining experience. The atmosphere, the menu and even the folk music on the weekends have all been carefully coordinated to give patrons a taste of the past. But they learned very early that they had to define their concept and their market.

"We thought because we were a log cabin we could relate to everyone. We soon found out we couldn't," says Brubaker.

The menu is based on colonial recipes the partners have gathered from old manuscripts and archives. Although the variety of food was limited during colonial times and the only seasonings available were the fresh herbs settlers grew in their gardens, many early recipes featured unusual treatments of usual things. Consequently, the menu at Widow Finney's offers creative combinations of wholesome simple fare and subtle seasonings. The restaurant even has its own herb garden in a courtyard between the buildings.

One unusual dish they offer is an onion stuffed with herbed chicken, which looks like a graceful flower. The onion is used as a shell and gives the chicken and herbs a delicate flavoring. The recipe comes from the Shakers—a religious community that thrived in the late 1700s.

Another popular entree is the herb-stuffed flounder based on a handwritten manuscript from the 1600s. Interestingly, the recipe calls for several herbs, but no onion or salt. Brubaker is quick to point out, however, that just because a recipe is historically interesting does not guarantee success with today's customers. Rabbit, for example, was a popular dish in colonial times; yet many people today avoid it for reasons of sentiment or unfamiliarity.

The partners are currently considering ways to generate additional sales without disturbing the intimate dining atmosphere they have created. For instance, they are planning to expand their kitchen into the market shed this fall to hopefully increase their take out and catering sales. They may also use the space to install a retail bakery and a banquet room. The bakery idea has grown from the bread recipes Brubaker and Unger have collected.

Brubaker and Unger took a chance on a dream and made it work. Entering the project without any prior restaurant or restoration experience was a huge gamble. But somehow their strong determination to restore a piece of the past, along with their individual cooking skills and thorough knowledge of history, helped them overcome the obstacles and produce a success. As Brubaker says, "If you have a dream, go for it." ❑

TAX CREDITS
FOR PRESERVING HISTORIC STRUCTURES

by Richard J. Power, Esq.

On our honeymoon in Paris this summer, my wife and I came across a fascinating restaurant on the Rue Galande. It's called Auberge des Deux Signes (Inn of the Two Swans), and it is a masterful restoration. Originally a part of the nearby church of St. Julien le Pauvre, its stone pillars, vaulted arches and spiral staircases (one stone, one wooden) are complemented by a modern skylight and a chandelier of greenery draping past two balconies almost to the floor.

As we dined, my thoughts turned to the rough-hewn beauty of the inn, its medieval history and the tax credits the owners could have enjoyed if the restaurant were in the United States.

Since the Economic Recovery Tax Act of 1981 (ERTA) sweetened tax incentives on building renovations, the prospect of a 25 percent tax credit has provided the impetus for the transformation of thousands of old warehouses, factories, brownstones and other decaying relics into attractive restaurants, shops and offices with "lots of character."

The primary motive of Congress in providing tax credits was to halt the exodus of businesses from center cities to newer suburban shopping areas. However, the tax breaks are not limited to urban properties. They apply to all commercial and industrial structures that are at least 30 years old and where substantial rehabilitation expenditures are incurred.

The amended Sections 46 and 48 of the Internal Revenue Code now enable restaurateurs and other building owners to take advantage of a special investment credit for rehabilitating a qualified historic building. Expenditures which are ineligible for the credit include the cost of acquiring a building and the cost of adding on to the old structure or putting up a new building.

Richard J. Power is a practicing tax attorney in the Washington, DC, area. His list of clients includes several restaurants.

How a building qualifies for an investment credit . . .

A qualified building is one

- which has been substantially rehabilitated; that is, rehab expenses exceed $5,000 over a 24-month period
- which was placed in service before the beginning of the rehabilitation (that is, the building is being prepared for use, such as for a trade or business, and is not merely being rehabilitated for resale) and
- which has retained 75 percent of the original external walls in the rehabilitation process.

The recent Tax Reform Act of 1984 has provided an alternative to the "75 percent test" to allow irregularly-shaped buildings to qualify more easily for the credit. Under the act, a building will qualify for the rehabilitation credit when

1) at least 50 percent of the external walls are retained as external walls

2) at least 75 percent of the external walls are retained as either external or internal walls and

3) at least 75 percent of the internal structural framework is retained in place.

The internal structural framework includes all load-bearing walls and any other columns, girders, beams, trusses, spandrels and other components that are essential to the stability of the building.

Credit percentages vary by age . . .

Exact credit percentages vary by age of the building. For business-use structures that are at least 30 years old, the available credit is 15 percent of the rehab expenditures. The credit rises to 20 percent for structures at least 40 years old. To obtain the full 25 percent credit, the building must be certified a historic structure.

A certified historic structure is a depreciable building—one used in a trade or business or held for the production of income, such as a commercial or industrial building. Non-depreciable buildings may qualify only if they are the subject of charitable contributions for conservation purposes.

A certified historic structure also must be listed in the National Register of Historic Places or, alternatively, be located in a registered historic district and be certified as contributing to the district's sense of time, place and historic development by virtue of its location, design, setting, materials, workmanship, feeling and association.

A registered historic district is one designated by the Secretary of the Interior through the National Park Service or by a state or local statute that has been approved by the Secretary of the Interior.

To qualify for the maximum 25 percent tax incentives, property owners must complete the two-part "Historic Preservation Certification Application" with the National Park Service. This will lead to certification of the historic character of the building and the quality of the rehabilitation work to be performed on the building.

This application must first be submitted to the state or local agency or official appointed to handle historic preservation matters in a given locality. The state official then forwards applications to the National Park Service regional office, usually with a recommendation.

It is best to submit the applications—describing fully the proposed work—in time to receive the approval from the Park Service prior to the start of construction. The approval process generally takes 60 days from the date that a complete application is submitted.

A close look at the certification application . . .

The first part of the application is devoted to determining whether an individual building qualifies as "historic." A structure that is individually listed in the National Register is automatically eligible for the credit. The preliminary determination of eligibility for a non-listed building (whether inside or outside a historic area) depends on how closely the building conforms to the Secretary of the Interior's standards for evaluating significance of historic structures.

The application must show how the building contributes to the historic significance of the district. It should indicate how the building is similar to other buildings in the historic district in scale, building materials, style and period of construction. Also noted should be important figures from the past associated with the structure, former uses of the property and the name of the original architect or builder, if known.

Clear photographs of the building and its surroundings, as well as the interior features, should be included if possible. A detailed map of the historic district, clearly identifying the lot on which the building is located, is necessary to verify eligibility for the tax credit.

The second part of the application must describe, in great detail, the proposed rehabilitation work. Photos, sketches, architectural drawings, floor plans and any other documentation showing the proposed alterations are necessary.

The Secretary of the Interior's standards for rehabilitation emphasize the importance of retaining the original qualities and character of historic buildings. Every reasonable effort must be made to protect and preserve original architectural features, distinctive historic styles and examples of skilled workmanship. The standards require repair of deteriorated areas where possible. If replacement is necessary, the new materials should match the old in composition, design, color, texture and so forth.

Obviously, taking on a rehabilitation project will require the initial expense of retaining experienced professional help—a good architect, design consultant, photographer and attorney. But the reward is substantial. The tax credit is a dollar-for-dollar offset against taxes, not just a deduction. And the credit is taken up front, reducing the amount of equity required.

The combination of the rehabilitation credit and the new 18-year recovery period for depreciation can produce very large deductions. Take this example:

In January 1985, a restaurant entrepreneur buys a 50-year-old building in a historic district, which meets the Interior Department standards for the rehab credit. Cost of the building is $1 million ($150,000 land, $850,000 depreciable structure). Restoration costs another $1 million and is completed within 24 months, so that the improvements are placed in service in January 1987. By passing up accelerated depreciation, the owner obtains a 25 percent credit and may use a straight-line depreciation over 18 years.

Depreciation in the first two years is 1/18 times $850,000, the depreciable basis of the building. In 1987, when the building is placed in service, the owner gets the credit of 25 percent of the $1,000,000 rehab cost. The rehab cost minus one-half the $250,000 credit leaves $875,000, which is added to $850,000 to produce a new basis for depreciation of $1,725,000.

Depreciation 1985 + depreciation 1986 = $94,444

Depreciation 1987 (1/18 × $1,725,000) = $95,833

First three years depreciation = $190,277

Tax savings in 50 percent bracket = $95,139

Rehabilitation credit = $250,000

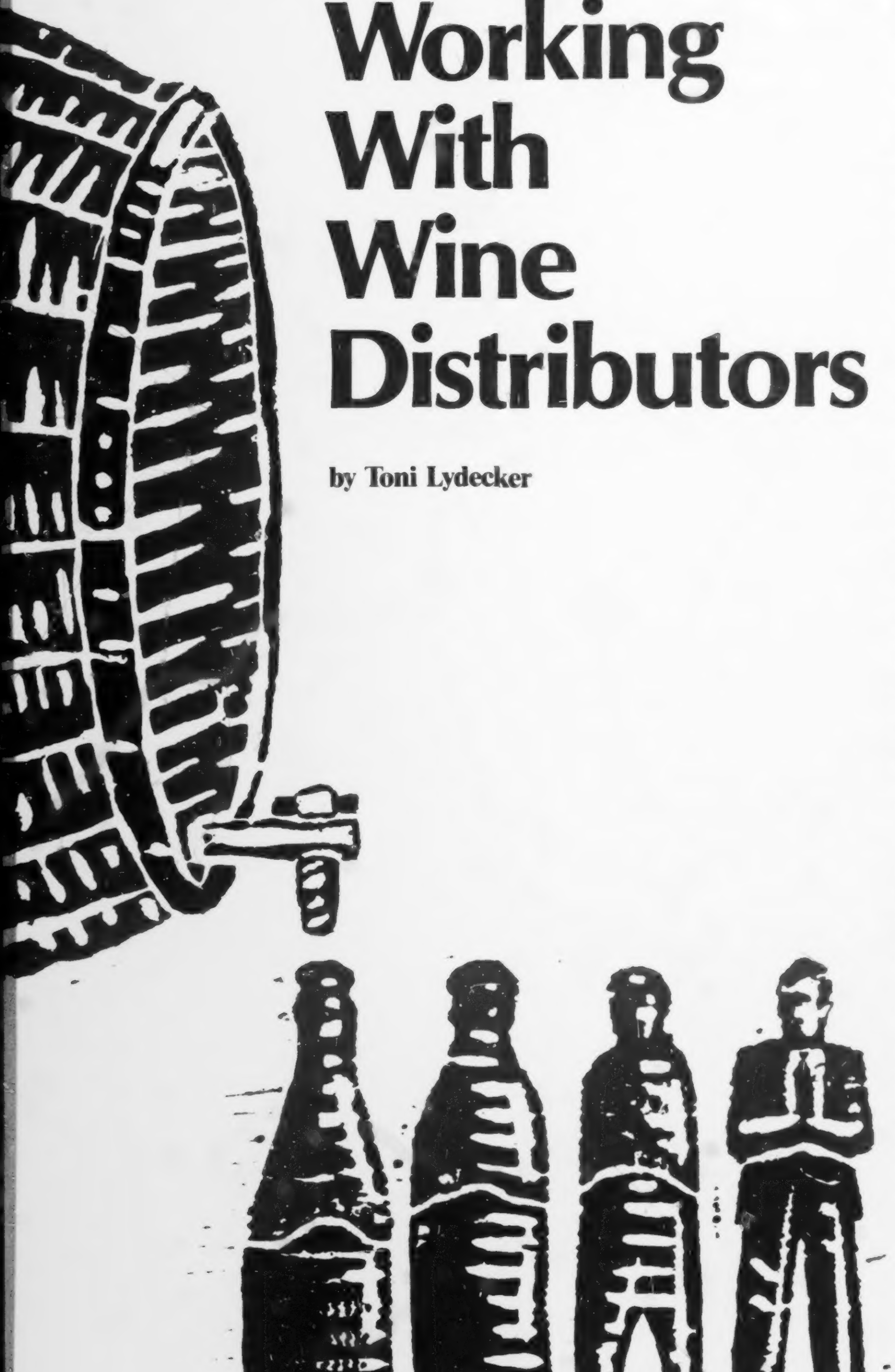
Total tax savings in first three years = $345,139 ❑

The Secretary of the Interior's standards for rehabilitation

1. Every reasonable effort shall be made to provide a compatible use for a property, which requires minimal alteration of the building, structure or site and its environment, or to use a property for its originally intended purpose.
2. The distinguishing original qualities or character of a building, structure or site and its environment shall not be destroyed. The removal or alteration of any historic material or distinctive architectural features should be avoided when possible.
3. All buildings, structures and sites shall be recognized as products of their own time. Alterations that have no historical basis and which seek to create an earlier appearance shall be discouraged.
4. Changes which may have taken place in the course of time are evidence of the history and development of a building, structure or site and its environment. These changes may have acquired significance in their own right, and this significance shall be recognized and respected.
5. Distinctive stylistic features or examples of skilled craftsmanship which characterize a building, structure or site shall be treated with sensitivity.
6. Deteriorated architectural features shall be repaired rather than replaced, wherever possible. In the event replacement is necessary, the new material should match the material being replaced in composition, design, color, texture and other visual qualities. Repair or replacement of missing architectural features should be based on accurate duplications of features, substantiated by historic, physical or pictorial evidence rather than on conjectural designs or the availability of different architectural elements from other buildings or structures.
7. The surface cleaning of structures shall be undertaken with the gentlest means possible. Sandblasting and other cleaning methods that will damage the historic building materials shall not be undertaken.
8. Every reasonable effort shall be made to protect and preserve archaeological resources affected by, or adjacent to, any project.
9. Contemporary design for alterations and additions to existing properties shall not be discouraged when such alterations and additions do not destroy significant historical, architectural or cultural material, and such design is compatible with the size, scale, color, material, and character of the property, neighborhood or environment.
10. Wherever possible, new additions or alterations to structures shall be done in such a manner that if such additions or alterations were to be removed in the future, the essential form and integrity of the structure would be unimpaired.

The Delicate Art of Working With Wine Distributors

by Toni Lydecker



At Jean Louis, a popular Washington, DC, restaurant, located in the Watergate Hotel, the average sale for a bottle of wine is $89. With that kind of price tag, customers expect a wide-ranging, impressive wine list—and they get it. The Watergate just won the *Wine Spectator's* prestigious Grand Prize for having one of the 19 best wine lists in the world. Paul DiChiara, the Watergate's beverage director and cellar master, maintains a wine inventory worth $450,000 and doesn't think twice about putting down a couple of hundred cases of Bordeaux to be uncorked 10 or 15 years hence. Hoping for a piece of the action, the distributors who manage the flow of domestic and imported wines into the city line up to talk to DiChiara.

Seventy miles away, Kevin Connell is struggling to buy wine for the Yellow Brick Bank, his white-tablecloth restaurant in Shepherdstown, WV. "The wine list is the aspect of the restaurant I'm most ashamed of," he sighs. By state law, Connell can buy wine only through the state liquor stores or the two distributors servicing his area. Connell sometimes resorts to placing special orders through the state liquor store or paying a service charge for a distributor to bring in wines from another state. Delays are interminable, and when the wine finally arrives, he will pay roughly twice as much for it as a comparable restaurant in nearby Washington, DC.

Despite the unfortunate experiences some operators have purchasing wine, however, many restaurateurs and distributors say the opportunities to make the wine list an outstanding profit center have never been better. "This is the most competitive time I've ever seen. There's just so much product out there that it's become a buyer's market," says Suzanne Chambers of Chambers and Chambers Wine Merchants, Inc. in San Franscisco, CA.

A distributor who delivers . . .

Although restaurants in many states have no choice except to buy wine through a licensed distributor or wholesaler, these companies do perform a range of services that make them indispensable to most restaurants. By absorbing the cost of transporting and storing wine in large quantities, the distributor allows the restaurateur the convenience of ordering wine a week or two at a time.

Distributors also can become extremely useful partners in the selection and sale of wine. According to Gayle Keller, co-owner of the Silverado Restaurant in Calistoga, CA, "They come armed with point of purchase displays, such as posters, table tents and box ends, that help promote the wines they sell."

In addition to possessing knowledge and materials about wine, these salesmen are often closely attuned to a restaurant's needs. They shouldn't be pushing just their own company's wines, advises importer Suzanne Chambers, but should show up with two or three carefully chosen samples that go with the restaurant's menu. Then they can say, "I know you're a steak house, and here's a Cabernet Sauvignon that's a great buy."

The soundness of a salesperson's advice also depends on the restaurant's willingness to update the company's list regularly and to taste new vintages as they come in.

Alert distributors will tip off a restaurant when a new shipment contains a wine that might be good for the list or when stocks of a favorite wine are running low.

A good sense of timing is essential for finding values in the wine market. "Good deals say hello and good-bye very quickly. You have to be willing to look for values as they appear rather than just replace items as they run out," recommends Stephen Fox, director of hotel and restaurant consulting for the International Wine Center and consultant to New York City restaurants Maxwell Plum's and Tavern on the Green.

A willingness to buy wine in volume can often lead to substantial price breaks. In this area, large operations have the advantage. The Grace Restaurant Company in Irvine, CA, for example, orders wine in large quantities to store in central commissaries and distribute as needed to its restaurant chains, which include Houlihan's Old Place, Reuben's and El Torito. (Because of laws restricting the transport of alcoholic beverages over state lines, this system would not work well for companies spread out over several states.)

Restaurants located in isolated areas, such as the Yellow Brick Bank, might find that buying wine in quantity is a way to interest suppliers in working with them. But many small operations have to balance the advantages of high-volume purchases against the minuses: tying up capital and absorbing storage costs.

Even a restaurant that must settle for a three to five percent discount most of the time, however, might consider buying enough to qualify for a larger price break on items sold in great volume, such as its pouring wines and popular premium wines.

Restaurants with a limited wine-buying budget also can seek out distributors sympathetic to their plight. Under the Washington, DC, Kronheim Company's "From Case One" program, all customers get the same price, regardless of the quantity they order. Similarly, a California company called Southern Wine and Spirits extends discounts under its "Family Break" program to restaurants that order as few as two cases of wine a week. The restaurant low on the totem pole in sales should also peruse price catalogues carefully for discounts not dependent on volume

For a wine list they'll love

1. **Match the wines to your operation.** What kind of investment of time and money does the wine list warrant? The income bracket and tastes of the clientele and the amount of the average check are two good indicators. Look also at the figures for bottle and house wine sales. A restaurant with bottle sales running at only 10 percent (one bottle for every 10 customers) can determine its potential for growth by observing house wine sales. If they are healthy, the restaurant may want to ease customers into buying more frequently by the bottle by emphasizing reasonably priced premium wines.

2. **Coordinate the wines with the food.** Try to find the right wine at the right price for every dish on the menu that could be accompanied by wine. In general, the result of this exercise will be a wine list that corresponds roughly in length and complexity to the menu. A menu with 12 to 20 entrees, 8 to 10 appetizers and 6 to 8 desserts calls for a list of two or three dozen wines, while one that includes only five entrees and four appetizers each day may require a dozen wines or fewer. Almost always, a small but excellent wine list is better than a long one of uneven quality.

3. **Diversify the list.** A list composed of nothing but the finest wines is likely to intimidate more customers than it lures. Make sure there are several price categories and that even the lowest one includes good, drinkable wines.

4. **Balance familiar wines against more unusual ones.** From Mateus and Blue Nun to Dom Perignon, customers respond well to wines that are well known. At the same time, you will want to choose several wines a customer might not encounter in other restaurants—perhaps a sampling of Chinon, a red Loire wine, or Rully, a wine from the Challonais district in France. Whether familiar or esoteric, every wine should be a good example of its genre—an eccentric Chardonnay that tastes more like a Chenin Blanc does not belong on the list.

5. **Serve house wines you can brag about.** House wines are typically big money-makers, and some restaurants try to squeeze out every ounce of profitability by serving the cheapest stuff they can find. This is false economy, for people will not drink two or three glasses of a wine that turns their tongues to asphalt shingling; nor will they take a chance on ordering a bottle of wine after such an experience. Pay a dime or two more per glass and buy pleasant house wines customers are certain to enjoy.

6. **Watch the ratings.** To find out which wines hold promise with your patrons, read wine reviews and take note of wines that rank high in prestigious competitions. Customers who know wine will be looking for them on your list, and those who are not aware of a wine's prize-winning qualities can be informed through the wine list or by the wait staff.

purchases. Sometimes a post-off is offered because a distributor wants to phase out a certain wine.

Taking control of the list . . .

Some busy restaurateurs are tempted to turn over their wine list to the first helpful distributor they find. "They may be just overwhelmed by the whole idea of wine. Many restaurateurs go into the business because they love food, entertaining, the whole lifestyle of being a restaurant owner. Very few come with much knowledge about wine beyond the highly advertised labels. As a result, the wine list is an afterthought, and they don't take advantage of its profit potential," says Fox.

Given the opportunity, some distributors are willing to take the entire responsibility for the wine list. The reason for this generosity? Typically, the company creates a list so top heavy with its own wines that its printing and binding costs are recovered within a few weeks. According to Fox, a savvy customer can tell when the wine list is "owned" by a distributor. Tipoffs are the same collection of mediocre offerings that have cropped up in other restaurants, sloppiness about including vintages and other vital information, and a tendency to leave the same wines on the list year after year.

To avoid this situation, restaurateurs should keep in mind that even the most knowledgeable sales rep does, after all, have a vested interest in selling his or her own company's products. That is why restaurateurs should take the time to consult with several different distributors when drawing up or revising their wine lists.

Working with a number of distributors is not only a good idea for planning the wine list, but it gives the restaurant flexibility and bargaining power, as well—especially when several companies share distribution rights for a product. On the other hand, there's no point in spending time with more distributors than is necessary. The number appropriate for a restaurant depends largely on the requirements of its menu and wine list. A restaurant featuring an extensive menu of international cuisine might need to work with a dozen distributors to get the wines for its broad-based list. A northern Italian restaurant planning to carry only wines from that geographical region, in contrast, may manage its wine supply very well with the help of two or three specialty houses.

There are benefits to establishing long-term relationships with distributors. Distributors often distinguish, formally or informally, between regular customers and others.

With Opus One, the phenomenally successful wine produced jointly by Robert Mondavi and Baron Philippe Rothchild, there is an explicit policy of distributing the coveted cases according to how much business customers have done with one company or the other. But experienced distributors recognize an obligation to hold up their end of the relationship even when the rules are unwritten. For example, the Watergate's Paul DiChiara recently asked a distributor to try to get some of Inglenook's library wines (prestigious, older vintages released only in small quantities). One reason for the distributor's cooperative attitude is the sizeable orders DiChiara puts in customarily for the readily available wines the company needs to sell in volume.

Expertise is essential . . .

In order to take charge of the wine list, of course, the restaurateur must either possess or hire the expertise required.

To learn more about wine, the chief wine buyer can join a sommelier society, visit vineyards and take wine courses. In addition, distributors can be an excellent educational resource. Many provide brochures on their various lines of wine, and they can recommend worthwhile books and periodicals on the subject. Through the tastings and lectures they organize, they also bring together people who are making wine decisions for their restaurants.

Seasoned or not, the restaurant's wine buyer should receive some backup in wine selection decisions. A panel can be organized to sample wines under consideration for the list. It might include the owner, general manager, chef, catering manager or another member of the staff.

Once the wine list is complete, it is tempting to think that the work is over, except for putting in a new order every week. Alex Dierkhising, co-owner of the Silverado Restaurant, explains why that impression is wrong. "You can't just throw a burger on the grill and expect it to cook itself. A wine list needs the same kind of continuing attention: It must be maintained, reviewed, revised." Unlike a product, such as a particular brand of gin, which remains essentially the same year after year, wine can vary radically in quality and quantity from one vintage to the next. A restaurateur must, therefore, be prepared to find a replacement for a new vintage when it is not right for the list, not ready to drink or the supply runs short.

Tracking wine sales is another important part of managing the restaurant's wine program. Wine order decisions will be more on target when based on a precise analysis of which vintages in which price ranges are selling best.

Bypassing the distributor . . .

Although state laws or a restaurant's particular needs may dictate working exclusively with distributors to purchase wine, occasionally restaurants can supplement these efforts with other arrangements that effectively bypass the distributor. In California, small wineries often market directly to restaurants. Besides cutting out intermediaries, at a savings to both the winery and the operator, this strategy may enable a restaurant to buy wines not widely available.

Importing wine directly, either alone or in concert with several other restaurants, is another possibility. Restaurants must normally compensate an importer for bringing in the wines and clearing them into the restaurant or restaurant group. Although a direct import may produce savings of 25 to 40 percent, it is worth the trouble only when a large purchase is contemplated. Furthermore, a restaurateur who lacks a sure footing in the wine market runs the risk of costly blunders, such as selecting wines that do not travel well.

Auctions may be good places to buy older wines to sell or use as window dressing, if the state allows such transactions by restaurants. An auction might also offer the opportunity to get bargain rates on the inventory of a distributor going out of business.

As with other methods of buying wine that bypass the distributor, the purchaser must know how much the wine is worth for such a venture to be profitable. The restaurant staff should also be prepared to handle the details of registration and shipping that would normally fall to a distributor. ❑

Fisher's Law #56

The implausible dream

On a recent trip to an industry conference, I lowered the airline seat-back to rest my eyes from the strategic plan review that had occupied my attention since take-off. I began to doze, but then I found myself emerging from a haze, seeing and hearing, semi-clearly, the conference chairperson introducing the keynote speaker. It went like this:

"Our speaker today is a person who really does need an introduction. We invited numerous other persons to give the keynote address; but when we were turned down by all those we had contacted, we had no other choice but to invite the speaker who will shortly appear before you. He can be best described as a soft-nosed businessman, completely unknown in leading business circles. He has an extremely limited range of experience, with a career underscored by a remarkable series of failures. He does not sit on any boards or commissions, and his only citations are from traffic court. He is a part-time, undistinguished professor at a low-brow college, teaching the subject of monotony. He practices what he teaches as you will soon find out. He was delayed in arriving here as the result of a slight mishap. He experienced a fire in his home library. Both books were burned. A former athlete, he was known as 'home run Harry.' That's an odd nickname for a pitcher. It is truly an embarrassment for me to introduce to you our speaker, Harry . . . uh, Harry . . . uh, oh, well. Here's Harry."

The speaker rose to his feet and shuffled over to the podium. He began. "That's one of the more gracious introductions I have ever received. However, I am not particularly pleased to be here with you. What I have to say to you isn't exactly the truth. I will tell it like it isn't, and it will have absolutely no effect on your business, your perspective or your life. I will start by telling you a little experience to illustrate a joke. The experience is that we've been eaten alive by our competition. The joke is that two hikers were hiking through a forest when a big hungry bear sprang out on the path in front of them. One hiker immediately sat down, took his sneakers out of his backpack and started putting on the running shoes. The other hiker said, 'Why are you putting on your sneakers? You can't possibly outrun the bear.' 'I know,' said the first hiker, 'all I have to do is outrun you.'

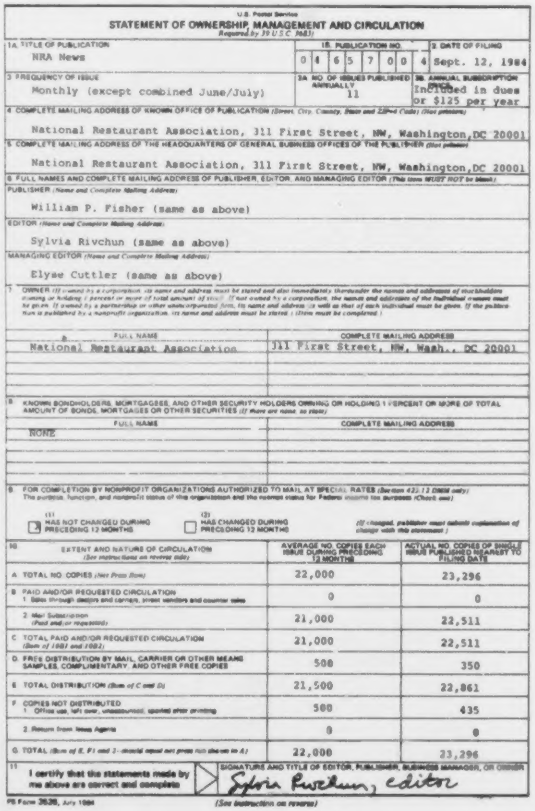
"Our market research tells us we shouldn't be in the business. Our executives have unlimited expense accounts, but they keep exceeding them. Our marketing effort is diffused. We try to be all things to all people all the time. We know when we have to spit out the bullet. When we make important decisions, we analyze them carelessly and bring them right down to the top line.

"We're not afraid to make those wishy-washy decisions. Our long-range planning consists of completing vacation schedules. We choose trainees who have graduated in the upper five-fifths of their class. Our training program consists of signs in the washroom. Our purchasing philosophy is every employee for himself/herself. We have an unsound quantity assurance program. We reach record levels every year in customer complaints, employee turnover, insurance premiums and wage and hour inspections.

"The systems we have out of place are designed to confuse and complicate our operations. We have robotized all the processes in our human resources department so we are not bothered by having any humans working in that area. We believe we are a feeble organization, not particularly dedicated to serving our customers. We constantly seek short-term expediency, while simultaneously maximizing efforts to separate investors from their money."

The jolt of rubber hitting pavement upon landing brought me out of my slumber. The impressions were vivid, however, and I continued to reflect on the dream I had experienced. It seemed that everything was backwards, just the reverse of what it should be. I was glad I never attended a real conference like that or knew of any organizations like the one the speaker described. Come to think of it, however, I have known . . . well, never mind.

> **"It's fortunate, sometimes, that dreams don't come true."**



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TO YOUR HEALTH

Fiber—a healthful fit for restaurant menus

Americans are eating more roughage or fiber than ever before. The demand for fresh fruits, vegetables and whole grains is increasing.

The prediction is that the aging American population will give a boost to the demand for high fiber foods. A recent report by the international research firm of Frost and Sullivan shows that a prime consumer group of diet products (including high fiber foods)—the 45-year-old and older segment—should increase by eight percent by 1990.

It isn't demographics alone, however, that is giving fiber a revitalization. The dietary guidelines for Americans published by the U.S. Departments of Agriculture and Health and Human Services encourages eating foods with adequate starch and fiber. In March, the National Cancer Institute emphasized the importance of low-fat, high-fiber dietary intake in its seven-step approach to cancer prevention. Added to this is the raised consumer consciousness about foods in general.

What fiber is . . .

Although frequently thought of as one substance, fiber is not a single food. Fiber is the undigestible cell walls of plants. It comes in five major forms--cellulose, hemicellulose, pectin, gums and lignin. Each one has its own physical and chemical properties, and each form serves different nutritional needs. The fiber in broccoli (cellulose), for example, is different from that found in breakfast cereals (lignin).

The cellulose component of dietary fiber is responsible for its bulk-inducing properties. Cellulose and hemicellulose absorb water as they pass through the body. This simple physical property is not insignificant. Cutting transit time through the stomach means, among other things, the fats found in last night's steak won't stay around to be absorbed completely. As a result, less fat travels through the arteries, and less fat gets deposited in body cells.

Gums and pectin, on the other hand, manage to keep cholesterol and blood sugar levels under control by binding to and removing the acids that digest fats. Of special interest to the diabetic is their ability to coat the stomach's lining to delay absorption of sugar. This process reduces the amount of insulin needed.

Lignin is capable of combining with intestinal acids to form insoluble complexes. This in turn helps speed food through the gut. As with other fiber components, this process keeps cholesterol in check.

The health benefits of fiber . . .

As already mentioned, the health benefits attributed to fiber include lowering cholesterol levels in the bloodstream and helping to regulate blood sugar levels in diabetes. Population studies also offer evidence of relatively low incidences of stroke, hypertension, colonic-rectal cancer and digestive disorders when consumption of fiber is high.

Other accolades include the possibility that fiber acts to cleanse the body of environmental (industrial and insecticidal) wastes that enter our bodies through the food chain. The method approaches a "bind and eliminate" strategy.

Fibrous foods are also filling. They take up space in the stomach and produce a full feeling. This can reduce total caloric intake.

Food preparation affects fiber content . . .

Food preparation affects fiber content. Lignin is increased by toasting, browning or baking. Sauteed and steamed vegetables have more lignin, pectin and gums than boiled vegetables.

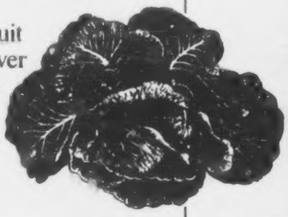
Luckily for restaurateurs, high fiber foods have already found acceptance. Foods high in fiber are also high in visibility and are popular menu items. Examples include pasta with vegetables, vegetable tortillas, broccoli nut casserole, gazpacho and signature breads, rolls or muffins made with whole grains, vegetables or fruits.

Adding a variety of grains, cereals, brown rice, legumes and plenty of fruits and vegetables to a menu also increases fiber options and offers welcome variety for your patrons.

—Karen Sherwood, R.D.

Sources of fiber

Cellulose/Hemicellulose:	Whole wheat flours Bran Cabbage Green beans Broccoli	Cucumber skins Peppers Apples Carrots Mustard greens
Gums/Pectin	Oatmeal and rolled oat products Dried beans Squash Apples Strawberries	Citrus fruit Cauliflower Cabbage Carrots Potatoes
Lignin	Breakfast cereals Bran Strawberries Eggplant	Pears Green beans Radishes



FOODSERVICE TRENDS

Getting ready for customers in the year 2000

by Cecelia Niepold

Restaurateurs should prepare for the future now. To effectively stay ahead of customers' ever-changing tastes and needs, restaurateurs should look at upcoming trends in the consumer marketplace. For instance, changes in age, population movements, household composition, income and employment trends will all affect consumer preferences, interests and buying power. To help restaurateurs plan ahead, this article highlights some of the expected demographic changes which will mold the marketplace of the future.

Age: the maturing population

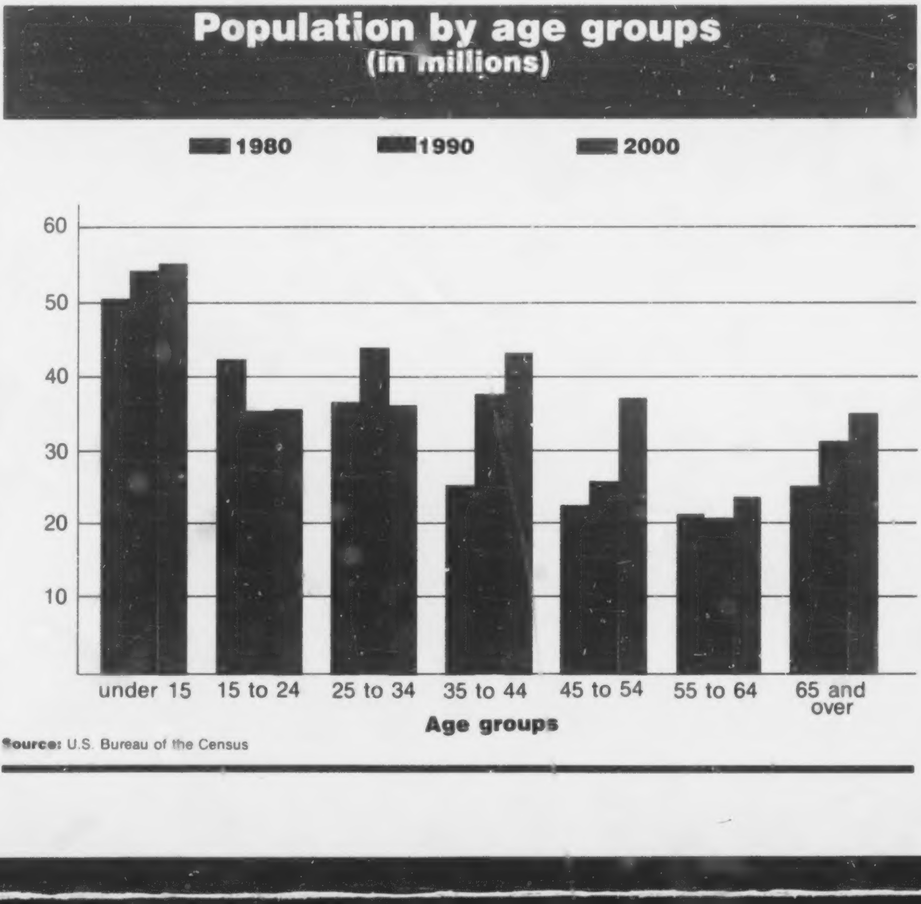
Age is an important factor in determining consumer behavior because different age groups develop different interests and tastes. Consequently, growth patterns among the various age segments will directly affect the marketplace.

America's population is getting older, due both to the maturing baby boom generation and Americans' increasing longevity. In 1970 the U.S. median age was 28; by 2000, it will reach 36.

Major demographic trends to watch include the maturing baby boomers, the growing number of senior citizens, the declining teenager segment (which could affect foodservice employment) and the smaller baby boomlet in the 1980s.

Key trends:

- The number of individuals aged 35 to 44 will reach 43.7 million by the year 2000—a whopping 70.5 percent jump from 1980's level.
- The 45 to 54-year-old group will increase substantially—62.7 percent—to 37.1 million between 1980 and the turn of the century.
- By the year 2000 the 35 to 54-year-old segment will comprise 30.1 percent of the total population, up from 21.4 percent in 1980.
- The number of 55 to 64 year olds will rise 9.6 percent between 1980 and 2000 to reach 23.8 million.
- The number of Americans aged 65 and over will total 35 million by the year 2000—a 37.1 percent increase in 20 years. Senior citizens will account for 13.1 percent of the entire population in 2000, versus 11.3 percent in 1980.
- Among senior citizens, individuals aged 85 and over will more than double between 1980 and 2000, reaching five million by the year 2000.
- The number of 15 to 19 year olds will drop 20 percent between 1980 and 1990. Between 1990 and 2000 the teenage group will increase somewhat—11.8 percent. Even so, there will be two million fewer teen-



Source: U.S. Bureau of the Census

Proportion of population by age groups 1980 and 2000

1980	Age groups	2000
22.6%	Under 15	20.8%
18.7	15 to 24	13.5
16.4	25 to 34	13.6
11.3	35 to 44	16.3
10.1	45 to 54	13.8
9.6	55 to 64	8.9
11.3	65 and over	13.1
100.0%	Total	100.0%

Source: U.S. Bureau of the Census

agers at the turn of the century than in 1980.

- The number of 5 to 14 year olds will increase only slightly between 1980 and 1990, but between 1990 and 2000 the increase will be 8.2 percent.
- The preschool group (children under five) will increase 17.4 percent between 1980 and 1990 as the baby boomers have their own baby boomlet. However, between 1990 and 2000, the number of young children will shrink 8.2 percent.

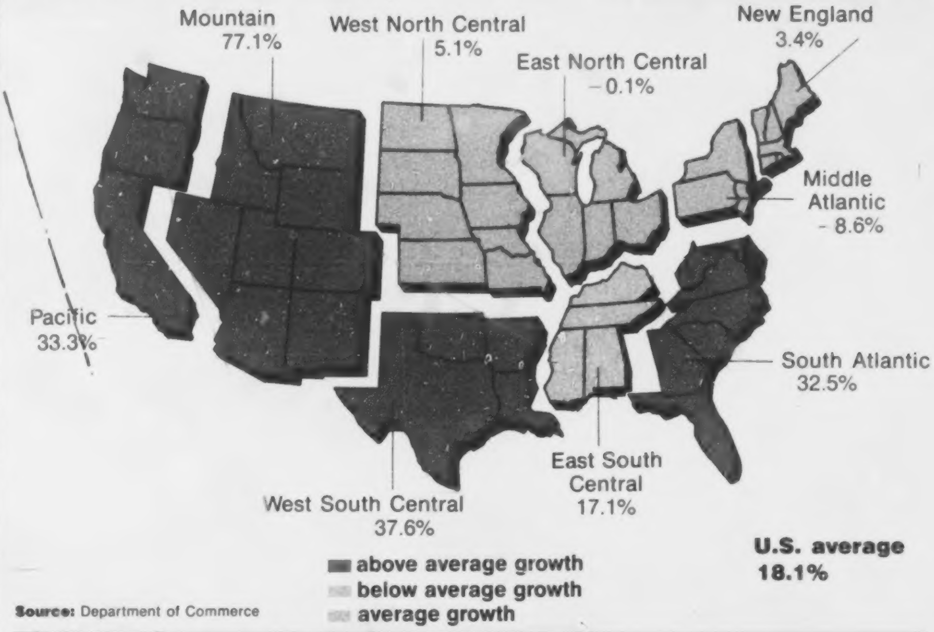
Regions: the growing South and West

Population movements can affect regional growth patterns and influence the general economic climate in different areas. According to the U.S. Department of Commerce, the South and West should grow substantially between 1980 and 2000, while the Northeast will actually experience some population declines.

Key trends:

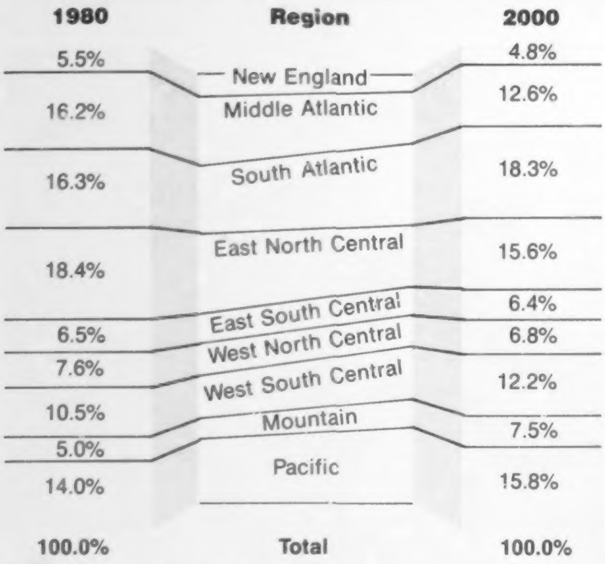
- The Mountain region will experience the largest population gain between 1980 and 2000—77.1 percent. By the year 2000 the region will account for 7.5 percent of the total U.S. population, a relatively small proportion, but up from 5.0 percent in 1980.
- The West South Central region will post a 37.6 percent population increase between 1980 and 2000—the second highest gain. By 2000, 12.2 percent of all Americans will live in this region, up from 10.5 percent in 1980.
- By the turn of the century the South Atlantic region will overtake the East North Central region as the most populous area. Approximately 18.3 percent of the population will live in the South Atlantic region in 2000, up from 16.3 percent in 1980.
- The Pacific region will be the second most populated area in 2000, with 15.8 percent of the total population. This area's population is expected to jump 33.3 percent between 1980 and 2000.
- The East North Central region, which boasted the highest population in 1980 (18.4 percent of all Americans), will include only 15.6 percent of the U.S. population by the turn of the century. The region is expected to experience a slight 0.1 percent population decline between 1980 and 2000.
- The Middle Atlantic region will experience the largest population decrease between 1980 and 2000—8.6 percent. By the year 2000, 12.6 percent of the population will live in this area, down from 16.2 percent in 1980.
- The three most populated states will be California, Texas and Florida—one quarter of all Americans will live in these states by the turn of the century.

Percent change in regional population growth 1980–2000



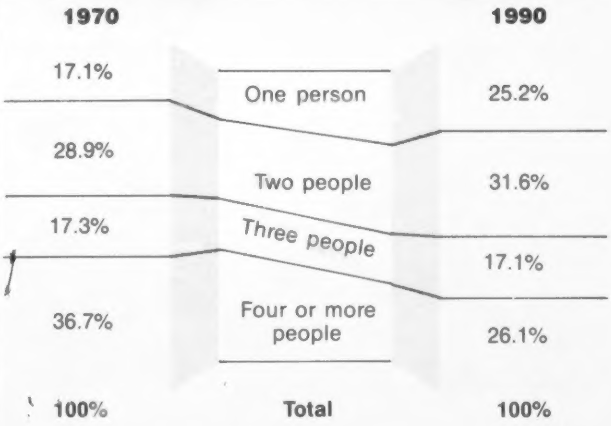
Source: Department of Commerce

Regional distribution of U.S. population
1980 and 2000



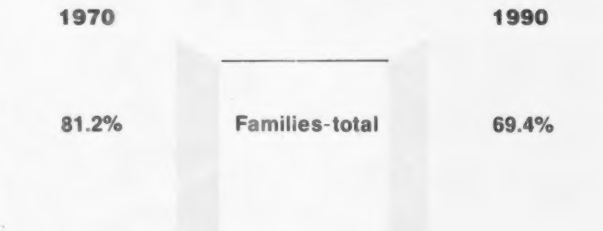
Source: Department of Commerce

Proportion of households by size
1970 and 1990



Source: U.S. Bureau of the Census

Household composition proportion of all households
1970 and 1990



Source: Department of Commerce

- Nevada, Arizona and Wyoming are predicted to be the fastest growing states—their population will more than double between 1980 and 2000.

Households: smaller and more affluent

Household composition is another factor that influences consumer behavior. Americans are marrying later, living longer and having fewer children—trends which are causing the average household size to shrink. This, along with Americans' rising affluence, should increase eating out in the future. Studies have shown that consumers dine out more frequently as their income rises and also that singles generally eat out more often than other household groups.

Key trends:

- The number of single households is expected to more than double between 1970 and 1990. By 1990, single householders will account for more than a quarter of all households.
- Two-person households will account for the largest proportion of households—almost a third—by 1990.
- The proportion of households containing four or more persons will continue to decline.
- Households headed by 35 to 44 year olds will show the most significant growth, increasing 53.4 percent between 1980 and 1990.
- During the 1980s, households headed by 25 to 34 year olds will account for the largest proportion of households. In comparison, in 1970 most households were headed by 45 to 54 year olds or individuals aged 65 and over.
- The proportion of traditional husband/wife households is declining. In 1970, 70.6 percent of all households contained married couples; by 1990 that proportion will drop to 54.8 percent.
- The proportion of families (related or married persons living together) among all households (includes both

families and non-related persons living together) will decline from 81.2 percent in 1970 to 69.4 percent in 1990.

- Households headed by females will account for 28.9 percent of all households in 1990—up from 21.1 percent in 1970.
- Median household income should rise to almost $25,000 by 1990 (in 1982 dollars), up from $20,000 in 1980.
- The number of households earning $50,000 (in 1982 dollars) or more will almost double between 1980 and 1990—the fastest growing income segment.
- Almost 40 percent of all households will be earning $30,000 (in 1982 dollars) or more by 1990—up from 30 percent in 1980.

Labor force: more women and 25 to 44-year-olds

The labor force will also experience some changes between now and the turn of the century. As the baby boomers mature, the number of 25 to 44-year-old workers will expand, while the number of workers under 24 will decline.

Since many restaurants employ teenagers, this could create a labor shortage unless operators take steps to tap other segments or increase incentives.

The increasing number of women entering the labor force will also affect the foodservice segment because households with working women tend to dine out more frequently than many other groups.

Key trends:

- The number of 25 to 44-year-olds in the work force will more than double between 1970 and 1995, reaching 71.3 million by 1995.
- Twenty five to 44-year-olds will account for more than half the work force by 1995.
- The number of 16 to 24-year-old workers will drop 14.1 percent between 1982 and 1995. By 1995, this group will comprise only 16.1 percent of the labor force, down from 22.3 percent in 1982.

Dining out habits of growth markets

35 to 44 year olds:

- Spend 36 percent more on dining away from home than the average consumer.
- Visit atmosphere restaurants more than most people—3.4 times a month.
- Go to fast food restaurants to save time more often than other groups.
- Visit family restaurants while traveling, for business or to celebrate events more than average.
- Like to try new items when dining out more than other age groups.

Senior citizens:

- Allocate about a quarter of their total food budget to dining out—the smallest proportion among the age groups.
- Visit atmosphere restaurants simply for enjoyment more often than others and less often to celebrate an event.
- Are more likely to go to a family restaurant while shopping or for simple enjoyment than other age segments.
- Dine at fast food restaurants less often than the average consumer.

Westerners:

- Allocate more of their food budget to dining out than Americans in other regions.
- Are more likely to visit fast food restaurants to save time than other Americans.
- Visit family restaurants while traveling or to save time more often than other Americans.
- Are most apt to visit atmosphere restaurants to celebrate a special occasion.

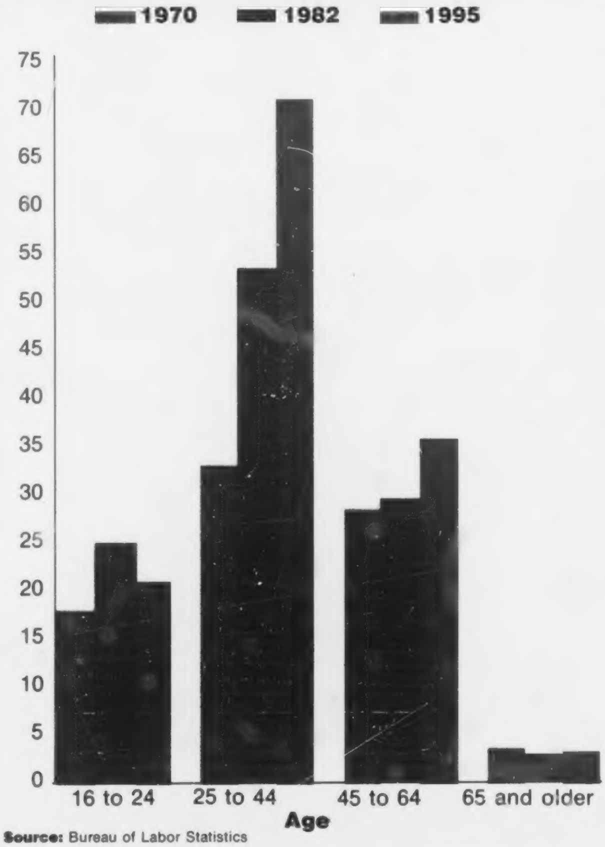
Singles:

- Spend almost half of their food budget on dining out.
- Dine out more often than any other type of household at all restaurant types.
- Are much more interested in trying new items when dining out than the average consumer.
- Are most likely to visit fast food and family restaurants for convenience reasons.

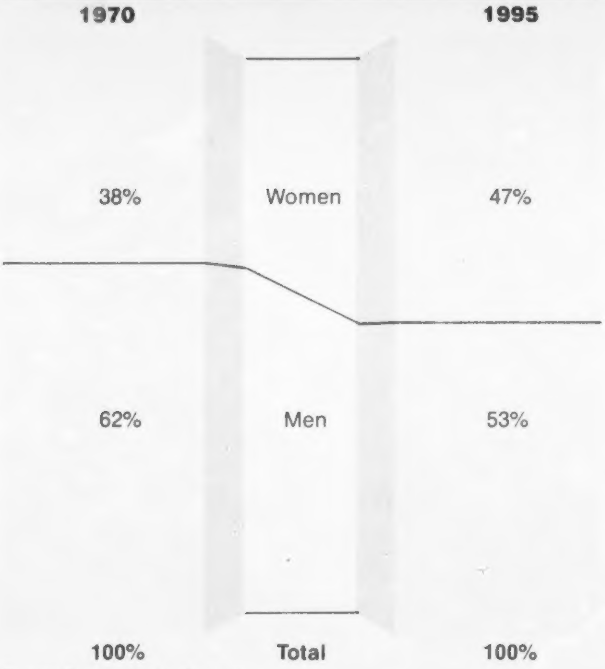
Working women:

- Spend more than a third of their food budget on dining out.
- Dine out more frequently than households with non-working women.
- Are more apt to dine out for convenience reasons than non-working women.
- Are more likely to eat dinner away from home than other consumer groups.

Labor force by age groups
(in millions)



Source: Bureau of Labor Statistics



Proportion of labor force by sex

Source: Bureau of Labor Statistics

- The number of working women will almost double between 1970 and 1995. By 1995, almost 47 percent of the work force will be women, up from 38 percent in 1970.
- The number of married women in the labor force will jump 38.1 percent between 1982 and 1995.
- By 1995, six out of 10 women will be employed, up from four out of 10 in 1970. More significantly, among 20 to 54-year-old women, eight out of 10 will be working in 1995.

What do the numbers mean for restaurateurs?

To help operators translate the numbers of the future into realistic marketing strategies, here's a look at some of the general trends which may occur as a result of the changing demographics.

General trends:

- As the number of working women and single households grows, take-out options and convenience factors may become increasingly important.
- Rising income levels (boosted by more two-income households) should encourage consumers to dine out more frequently. As a result, patrons may demand more upscale entrees, increased variety and higher quality food.
- The baby boomlet of the 1980s may provide a good market for restaurateurs targeting families with small children. After 1990, however, as these children grow older, operators will have to adjust their marketing accordingly.
- The growing number of senior citizens, many with higher discretionary income levels and more leisure time, presents a prime market.
- Restaurateurs with expansion plans may want to consider the South and West.

Customer satisfaction on the rise

Over the last three years customer satisfaction has been on the rise. The number of people reporting the price/value relationship of eating out to be excellent or good has increased from 58.5 percent in December 1981 to 63.4 percent in June 1984, according to results from two Gallup Poll surveys.

The surveys asked the question, "Thinking about the price of this meal, and comparing it to the prices you pay for many products and services you buy, would you say this meal represented an excellent, good, only fair or poor value for your money?"

Along with the rise in customer satisfaction, come fewer fair and poor price/value ratings. In 1981, 40.6 percent reported their meal was a fair or poor value compared with 32.2 percent for 1984.

The increase in overall satisfaction can be attributed to the improved economic situation, the slower rise in menu prices and the fact that restaurateurs have put increased emphasis on providing a good value at a fair price.

Breakfast—tops in value . . .

The meal that most consumers feel is the best buy for their money is breakfast. Restaurant patrons tend to feel they are getting their money's worth partly because this is one of the least expensive meals.

The number of people rating it as a poor value has dropped from 5.5 percent in 1981 to 4.1 percent in 1984. However, the number of people giving a rating of excellent or good has also dropped somewhat since 1981. In 1981 76.3 percent gave the morning meal an above average rating; in 1984 71.2 percent did so.

Breakfast continues to be the fastest growing meal occasion, but this decline in perceived value may foreshadow slower growth unless restaurateurs focus on providing consumers with the price/value they seek.

Dinner is also perceived as a good value for the money. Six in 10 (61.2 percent) respondents surveyed in 1981 and nearly seven in 10 (67.2 percent) of those interviewed in 1984 reported that the value of their recent evening meal was good or excellent.

Lunch, likewise, has increasingly been perceived as a better value. In 1981 about half (51.8 percent) of the consumers rated the price/value relationship of lunch as excellent or good, while in 1984 six in 10 (60.7 percent) did so. Moreover, fewer people are rating lunch as only fair—38.1 percent did so in 1981 compared with a considerably lower 25.8 percent in 1984.

**The Gallup Monitor of Eating Away from Home* is conducted monthly and tracks trends in eating out behavior for the U.S. population. Telephone interviews are conducted with approximately 1,000 adults 18 years of age and older. Respondents are asked to report all meals eaten at a restaurant, fast food establishment or any other place where food was purchased, such as a lunchroom or cafeteria at work or school on the previous day. Specifically, individuals are asked to report on which day of the week the visit occurred. The interviewing for NRA's value question took place between November 30 and December 20, 1981 and between June 4 and June 17, 1984.

Price/value ratings by restaurant type
1981 versus 1984

Value of meal	Family		Fast Food		Atmosphere	
	1981	1984	1981	1984	1981	1984
Excellent	24.2%	23.6%	9.8%	8.9%	21.0%	14.7%
Good	44.5	46.8	34.7	47.3	37.0	48.5
Fair	25.8	18.9	41.5	31.8	32.0	26.5
Poor	5.5	6.0	14.0	10.5	7.0	0.0

Family restaurants—most highly rated for price/value . . .

Invariably, customers rate some types of restaurants higher than others on the price/value scale. For example, family restaurants are by far the most highly rated. In addition, there has been a slight increase in the percentage of those rating meals at these establishments as excellent or good, 70.4 percent in 1984 versus a lower 68.7 percent in 1981.

Atmosphere restaurants are also highly rated. In 1981, 58.0 percent reported that their recent meal at an upscale eating place was an excellent or good value; and in 1984 the proportion was a higher 63.2 percent. More significantly, in 1981, 7.0 percent reported the value of the meal was poor; and in 1984 no one rated the price/value relationship as poor. This shows that many owners of atmosphere/speciality restaurants have hit upon a good formula for making their restaurants a success.

Lowest rated in terms of price/value are fast food restaurants. However, the price/value perception for these establishments is on the rise. Fewer than half (44.5 percent) gave an above average price/value rating to fast food places in 1981, but in 1984 more than half (56.2 percent) did so.

Although consumers who frequent fast food restaurants may not feel that they get the best value for their money, they do appreciate its convenience. They trade off value for quick service and the ease of not having to prepare their own meal. In addition, owners and managers of quick service establishments have worked to improve the overall value of their meals by expanding menus, upgrading decor and keeping menu price increases to a minimum.

More men give high price/value ratings . . .

Although in the past women generally have given higher price/value ratings than men, this pattern is now changing. The number of men reporting their recent restaurant meal was an excellent or good value has increased about 10 percentage points since 1981, from 54.2 percent to 63.5 percent in 1984.

The surge in men giving an excellent or good rating could be the result of their having a greater appreciation of the value of dining away from home. With increasing numbers of single males and husbands with working wives, men have begun to take on more responsibility for various household chores, such as grocery shopping and meal preparation.

In the past few years women have become more value conscious and now tend to be more critical of the price/value relationship of many goods and services, including restaurant meals. This may help explain why women rated the value of their most recent meal slightly lower in 1984 than in 1981. Sixty-five percent reported the meal was an excellent or good value in 1981 versus 63.4 percent in 1984.

The number of men and women giving a rating of fair has decreased since 1981. Thirty-five percent of the men gave a fair rating in 1981 compared with 25.2 percent in 1984. The corresponding proportions for women were 27.4 percent and 22.0 percent. The decline in fair ratings is due to stronger convictions about the value of a meal.

Older adults have greater price/value satisfaction . . .

Age influences how consumers view the price/value relationship of a meal. For example, people aged 50 years and older tend to have higher price/value perceptions regarding restaurant meals than individuals from other age groups. In 1981, 64.5 percent of this age group gave either an excellent or good value rating to their recent meal, and in 1984, 68.0 percent did so.

Because older consumers tend to eat out infrequently, they perceive eating out as a "treat" and are more likely to give a higher rating. However, the number of people in this group giving a poor rating has increased slightly from 4.0 percent in 1981 to 6.1 percent in 1984.

The 18 to 24 age group is least likely to give a high

Price/value ratings by age
1981 versus 1984

Value of meal	18 to 24		25 to 34		35 to 49		50+	
	1981	1984	1981	1984	1981	1984	1981	1984
Excellent	3.4%	14.0%	14.9%	21.0%	27.6%	16.9%	28.3%	19.8%
Good	40.5	41.4	45.2	49.7	32.8	40.4	36.2	48.2
Fair	33.2	27.4	35.6	17.4	29.2	30.9	31.5	20.8
Poor	20.0	12.1	4.3	10.8	9.6	6.2	4.0	6.1

Price/value ratings by sex
1981 versus 1984

Value of Meal	Total respondents 1981	Total respondents 1984	Men 1981	Men 1984	Women 1981	Women 1984
Excellent	20.0%	18.1%	16.0%	15.6%	25.6%	21.1%
Good	38.5	45.3	38.2	47.9	39.0	42.3
Fair	31.6	23.7	34.6	25.2	27.4	22.0
Poor	9.0	8.5	9.7	8.1	7.9	8.9

rating. However, since 1981 their level of satisfaction has improved. In 1981, 43.9 percent rated restaurant meals as a good or excellent value, compared with a significantly higher 55.4 percent in 1984. The improved economy has helped this group. They now have more money to spend and are less fearful about losing their jobs. These factors have probably contributed to the group's improved perception of the value of restaurant meals. This trend can also be seen in the decrease in the number of 18 to 24 year olds reporting the value of their recent restaurant meal was poor. In 1981, 20.0 percent gave such a rating, but in 1984 only 12.1 percent did so.

Noteworthy is the significant increase in the proportion of 25 to 34 year olds stating the value of their recent meal out was excellent or good—from 60.1 percent in 1981 to 70.7 percent in 1984. However, this group has also reported that more meals were a poor value. In 1981, only 4.3 percent rated their most recent meal as a poor value, but in 1984, 10.8 percent gave their most recent restaurant meal a poor rating.

Restaurant owners are on the right track . . .

There are many factors that affect a consumer's perception of the price/value relationship of dining in a restaurant. Important to note is that overall satisfaction has increased since 1981. This upward trend shows that an improved economy, moderate inflation and restaurant owners and managers who are more adept at providing the type of dining out experience consumers demand all influence the value perception of restaurant meals. By applying these findings to their own operations, restaurant owners can further increase customer satisfaction.

Price/value ratings by meal period
1981 versus 1984

Value of meal	Breakfast 1981	Breakfast 1984	Lunch 1981	Lunch 1984	Dinner 1981	Dinner 1984
Excellent	22.7%	23.3%	18.9%	15.8%	20.3%	21.2%
Good	53.6	47.9	32.9	44.9	40.9	46.0
Fair	18.2	26.0	38.1	25.8	27.8	19.0
Poor	5.5	4.1	9.5	7.8	9.6	9.9

Review

Fall and Winter holidays 1983

by Susan Adelman

As the cold winter months approach, many restaurateurs are starting to prepare for some of our most exciting holidays: Thanksgiving, Christmas Eve, Christmas, New Year's Eve and New Year's Day.

This article focuses on these fall and winter holidays, using information from the CREST Diary Panel for the years September 1976 through August 1983.* Because the study ended in August, the most recent data available for each of these holidays, except New Year's Day, are from 1982. For a review of the spring and late spring and summer holidays, please refer to the February 1984 and April 1984 issues of ***NRA NEWS.***

Thanksgiving

Thanksgiving is traditionally associated with pilgrims, turkey dinners and pumpkin pie. It is also a time for families to reunite.

Most families prefer to stay home to enjoy a traditional meal. Since 1977, only about one in 10 families has reported dining away from home on Thanksgiving.

REVIEW:
Thanksgiving Day 1982

- Only eight percent of the respondents reported dining out on Thanksgiving in 1982. This is the second *least* popular holiday for eating out.
- The average per person check was a relatively high $4.09. Dinner is a popular meal for Thanksgiving patrons and accounts for the higher check average.
- Few people used a promotion to bring down the cost of the meal—slightly less than 13 percent used some kind of promotional deal. (Although this is higher than the all-industry average promotion usage, it is lower than deal usage for most holiday occasions.)
- Three-fourths of the parties dining out were adults only, typically in the 35-to-64 age range.
- Fast food and family restaurants had more than 61 percent of the traffic, and lunch and dinner were the most popular meals.

Christmas Eve

Last minute shopping, wrapping presents, decorating the tree and putting out cookies and milk for Santa are typical Christmas Eve activities. Many establishments close their doors on this holiday to partake in these festivities.

Some operations remain

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* *Readers should note that the CREST information included here is based only on data for families; it does not include singles. The proportion of families eating out on the holidays means that one or any combination of family members ate out. It does not necessarily mean that the family ate out as a group. Also, the information is for all meal and snack occasions on the particular holiday. It does not mean that the family member(s) ate out for the main meal or ate out specifically to celebrate the holiday. In addition, the day of the week on which a specific holiday falls may influence the results.*

open, however. Over the last six years the number of families that have chosen to eat out on Christmas Eve has averaged around 14 percent. Additionally, an increasing number of people have taken advantage of the special deals many restaurants offer. In 1977 those dining out used promotions only about three percent of the time, while in 1982 they were used 13.2 percent of the time.

REVIEW:
Christmas Eve 1982

- Almost 15 percent of the families ate out on Christmas Eve.
- For those eating out, dinner was the most popular meal with 46 percent of the occasions involving the evening meal.
- The average per person check was $2.88. Diners took advantage of special deals at more than one in 10 visits.
- More than 64 percent of those dining out were parties of adults only. (Christmas Eve is a family-oriented day, and many families with children may prefer to stay home in order to be together.)
- Fast food and family type restaurants were frequented most often.

Christmas

Christmas is a day set aside for family and friends as evidenced by the small number of people who eat out on this holiday. Some of this is very likely due to the fact that many restaurants are closed on Christmas.

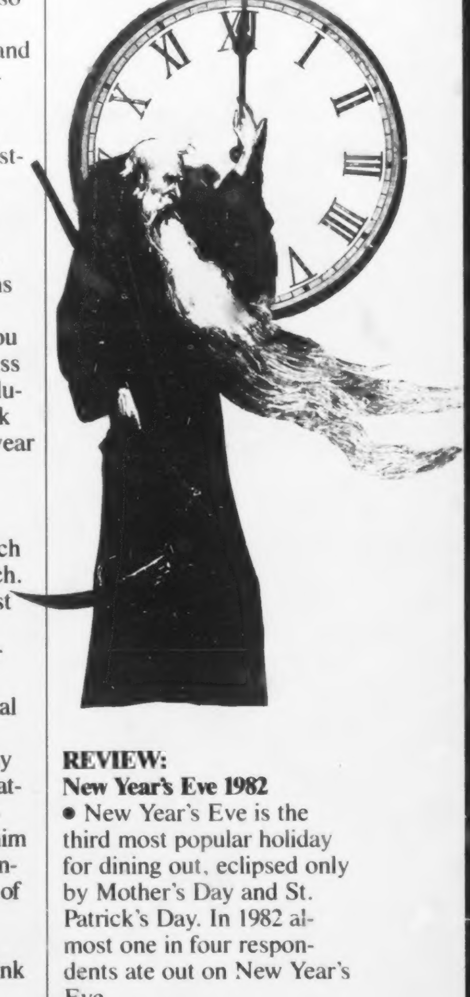
For those who do choose to eat out on Christmas, the average per person check was among the highest for all holidays.

REVIEW:
Christmas 1982

- Only 3.7 percent of families dined out on December 25, 1982, making this the least popular of all the holidays for dining away from home.
- The average per person check in 1982 was $5.60—the highest per person check of all the holidays. One reason this figure is so high is that most people choose to dine at family and atmosphere/specialty restaurants on Christmas.
- Of those parties dining away from home on Christmas, 60.7 percent consisted of adults only. For the most part, these adults were 35 to 65 years old.
- Restaurant patrons used some kind of deal on 10 percent of the occasions.

New Year's Eve

New Year's Eve brings to mind parties, streamers and champagne to help toast the New Year. Many Americans celebrate this festive occasion by dining out. Over the last six years more than one in five families has eaten out on New Year's Eve each year. In addition, on 10 percent of the dining occasions, restaurant patrons used some kind of deal.



REVIEW:
New Year's Eve 1982

- New Year's Eve is the third most popular holiday for dining out, eclipsed only by Mother's Day and St. Patrick's Day. In 1982 almost one in four respondents ate out on New Year's Eve.
- The average per person

Ways to promote fall and winter holidays

Thanksgiving

- Offer a traditional Thanksgiving meal aimed at those who don't want to cook a big dinner.
- Give a prize to the person who brings in the best stuffing recipe.
- Feature special discounts for senior citizens since many are not able to spend this special day with their families.

Christmas Eve

- Decorate the restaurant in red and green. Place red candle centerpieces on each table and hang holly around the room.
- Arrange to have Santa Claus come in to take any last-minute orders.
- Plan a grab bag for children so they can select a stocking stuffer gift as they leave the restaurant.

Christmas

- Offer a buffet from which customers can select a variety of traditional Christmas dishes, such as plum pudding.
- Give each child free Christmas cookies or gingerbread men and hot chocolate for dessert.
- Instead of after-dinner mints hand out candy canes to customers as they leave.

New Year's Eve

- Decorate your operation with balloons, streamers and banners.
- Offer couples a special deal—two dinner entrees for the price of one.
- Supply a bottle of champagne, horns and hats to diners or offer these items at a special price.
- Give a theme party. You can ask every one to dress as their New Year's resolution or the way they think people will dress in the year 2000.

New Year's Day

- Feature a special brunch with a nonalcoholic punch.
- Sponsor a trivia contest about past New Year's Days. Give the customer who answers the most questions correctly a meal on the house.
- Offer a New Year's Day special. Any customer eating in your restaurant receives a coupon giving him or her a free dessert at another meal in the month of January.
- Offer a special nonalcoholic New Year's drink for only 85 cents.

check was $4.12, the second highest average among the holidays. Eleven percent of the meals involved special promotions.

- Not surprisingly, more than 73 percent of the diners were adults without children.
- Dinner was the most popular meal to eat out on New Year's Eve, and many chose to dine in atmosphere/specialty restaurants. Traffic was particularly heavy at fast food restaurants probably due to heavy lunch traffic.

New Year's Day

After a long night of parties and celebrations, many families prefer to stay home on New Year's Day. They take time to relax, make resolutions concerning the new year and watch festive parades and football games. On the average, only one in 10 families has eaten out on January 1 each year since 1977. One reason is that many restaurants are closed.

REVIEW:
New Year's Day 1983

- Just over one in 10 families ate out on New Year's Day in 1983. This reflects the large number of people who prefer to stay home as well as the number of restaurants that are closed.
- To eat out on New Year's Day in 1983 cost restaurant patrons $3.48 on average, slightly more than the average cost of eating out for most holidays.
- Families used promotions only 10.5 percent of the time.
- Slightly more families take children out to eat on New Year's Day than on other holidays. One in four families had children with them in 1983.
- Fast food and family type restaurants account for 62 percent of the traffic. Dinner and lunch were the most popular meals.

Report Summary:

A new way to analyze your customers

Traditionally, restaurant markets have been examined using demographics and psychographics. However, studies have indicated that these "people" characteristics are not very helpful in explaining why someone chooses a specific restaurant. The reason is that selecting a restaurant is very different from purchasing consumer products, such as shampoo or laundry detergent. While consumers purchasing detergents are generally loyal to a particular brand, restaurant customers visit many different restaurants. Individuals choose different eating establishments depending on the circumstances and their needs. For example, the same person has different needs when

- Taking a quick bite to eat with a colleague.
- Shopping with the family and
- Enjoying a romantic meal with his or her spouse.

This person, unless he or she is very unusual, will select a different restaurant for each occasion.

In a recent survey, NRA questioned respondents about all their restaurant visits in a given week. Specifically, interviewees were asked why they ate out and the characteristics of the restaurant visited. (Only sit-down restaurant visits were examined.) Additional information on each occasion, such as type of restaurant, check size, party size and meal, was also obtained. The analysis then classified the restaurant occasions according to the needs that customers associated with each visit.

Seven occasion types were identified

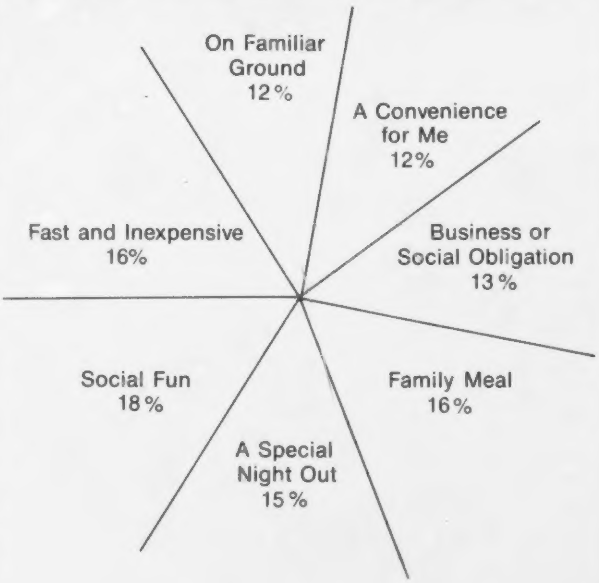
- Fast and Inexpensive
- On Familiar Ground
- A Convenience for Me
- Business or Social Obligation
- Family Meal
- A Special Night Out and
- Social Fun.

The accompanying chart shows the distribution of these occasion types or segments.

The complete report, *Consumer Restaurant Behavior: A View Based on Occasion Segmentation*, describes in detail all these occasion segments. In particular, information on the type or types of restaurants associated with each occasion is given along with certain restaurant characteristics and the average check size.

In addition, a chapter of the report is devoted to explaining how restaurateurs can evaluate their own businesses using the occasion segmentation approach, and how they can explore viable alternatives for expanding their businesses to capture a greater share of traffic and sales.

Distribution of occasions by occasion type



Source: *Consumer Restaurant Behavior: A View Based on the Occasion Segmentation Approach*, National Restaurant Association, October 1984.

How to order . . .

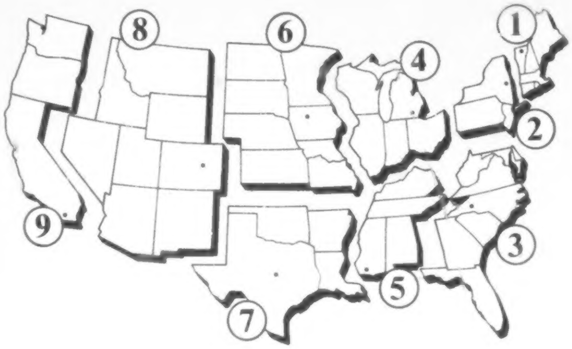
Consumer Restaurant Behavior: A View Based on Occasion Segmentation is now available for $25 (plus $2.50 shipping and handling) for NRA members and $50 (plus $5 for shipping and handling) for nonmembers. DC residents add 6 percent sales tax. Illinois residents add 7 percent sales tax. Chicago residents add an additional one percent—for a sales tax total of 8 percent.

To order, contact the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001 or call 800-424-5156. Payment *must* accompany all orders. Credit card telephone orders are accepted. Please specify number CS 982 when placing your order.

How's business?

by Cecelia Niepold

Imagination is an important ingredient in the recipe for success. Whether it's by converting a car dealership into an eatery, using salvaged period furniture as decor or revamping an approach to wine sales, restaurateurs who use their imagination can successfully create their own special niche in the marketplace.



1

NORTHEAST

Location: Stowe, VT
NRA member: George Von Trapp
Operation: Trapp Family Lodge
Profile: Two lodges, a restaurant and tearoom
In business: 40 years
Seats: Restaurant: 200 Tearoom: 115
Meals served: Breakfast, lunch, dinner

Business in the Stowe area has been down five to 10 percent, due primarily to the depreciation of the Canadian dollar, which has made travel in the U.S. less attractive to Canadians.

Even so, the Trapp Family Lodge enjoyed a very good summer season, according to **George Von Trapp**, vice president.

The business has expanded significantly over the years. The family (the same Von Trapps depicted in *The Sound of Music*) first entered the hotel/restaurant business when they began taking in lodgers while running a music camp. Eventually, the operation evolved into a bed and breakfast establishment. Now the business includes two lodges, two restaurants that serve continental cuisine and emphasize Austrian dishes, a cross country ski center and guest houses that are offered on a timeshare basis.

2

MIDDLE ATLANTIC

Location: West Lanlake, NY
NRA member: Carol Philippi
Operation: The Old Journey's End
Profile: A continental restaurant in a 100-year-old inn
In business: 5 years
Seats: 75
Meals served: Dinner

"Business has been growing steadily since we opened and is running eight to 10 percent above last year," says **Carol Philippi,** owner of The Old Journey's End.

Philippi's restaurant, an old restored inn, is located in a tiny town (they got their first stoplight this year) eight miles east of Albany. Like some parts of New England, this area has also been affected by the decline in Canadian tourism. Business has not dropped off at The Old Journey's End, however, because the inn draws a lot of business from Albany.

The house specialty is duckling. Customers call regularly to check on the daily duck special, which varies according to the availability of seasonal fruits and vegetables and herbs. For instance, they harvest their own berries and feature a duck dish with wild elderberries.

3

SOUTH ATLANTIC

Location: Charlotte, NC
NRA member: Danny Royer
Operation: Hotel Charlotte
Profile: Restaurant/bar
In business: 5 years
Seats: 98
Meals served: Lunch, dinner

"Business is excellent!" says **Danny Royer,** owner of Hotel Charlotte which features American and Creole cuisine. The Charlotte area is growing substantially, thanks to its prime sunbelt location and an influx of new industries.

Several things make Hotel Charlotte unique. One is that Royer has recreated the atmosphere of an old speakeasy. Since many speakeasies built false fronts to camouflage their identity during prohibition, Royer has also disguised his entrance.

Another innovative feature at Hotel Charlotte is the Around the World Beer Club, which has more than 3,500 members. Interested patrons receive their own membership cards. These cards, which list 140 beers from around the world, are punched each time a customer tries a different beer.

Members can win a variety of awards, such as personalized mugs which are hung over the bar, after trying a certain amount of different beers. When customers sample 100 varieties, the restaurant gives a donation to a local charity.

4

EAST NORTH CENTRAL

Location: Detroit, MI
NRA member: Ben Edwards
Operation: Traffic Jam & Snug, Inc.
Profile: Casual restaurant offering sophisticated food
In business: 19 years
Seats: 210
Meals served: Lunch, dinner

The general economy in Detroit is about the same as last year, with perhaps a little improvement, says **Richard Vincent,** co-owner of Traffic Jam & Snug.

Vincent believes his restaurant is doing well because he and his partner, Ben Edwards, are constantly offering customers something new.

Originally, the restaurant sold over 30 wines by the glass, but bottle sales were very light. To increase bottle sales and spur customers to try new wines, they've developed their own wine retail center within the restaurant. They now sell over 100 wines at retail prices and charge customers a minimal corkage fee. According to Vincent, customers will often experiment with a new wine, enjoy it and buy another bottle to take home with them. The restaurant has also installed a small retail bakery.

What's next? The partners are considering purchasing a smoker to smoke meats and dry vegetables. They may even start to make their own cheese.

⑤

EAST SOUTH CENTRAL

Location: Biloxi, MS
NRA member: Mary Mahoney
Operation: Mary Mahoney's Old French House
Profile: A restaurant in a restored 1734 house
In business: 20 years
Seats: 200
Meals served: Lunch, dinner

"Business is pretty steady," says **Mary Mahoney,** owner of Mary Mahoney's Old French House, which specializes in Creole, Southern and French dishes. Although she was somewhat disappointed in the lack of business generated by the World's Fair (only 80 miles away in New Orleans), the overall business during the summer was good.

The house dates back to 1734. It is now divided into various dining areas, which include a courtyard and a glass-enclosed sun room. The historic atmosphere has helped business.

The restaurant is particularly well known for its gumbo which is made with lump crabmeat, shrimp, okra (gumbo means okra in African), celery, bell peppers, onions, tomatoes and spices. "We've sent our gumbo all around the world," Mahoney says.

⑥

WEST NORTH CENTRAL

Location: Jefferson, IA
NRA member: Dale Washburn
Operation: The Bee Hive
Profile: A self-service establishment
In business: 8 years
Seats: 190
Meals served: Breakfast, lunch, dinner

The economy isn't very good in Jefferson, according to **Dale Washburn,** owner of The Bee Hive. "The agricultural business is depressed, and we're an agricultural town," he notes.

Jefferson is a small community of 5,000 people located in the north central part of Iowa. There are only about seven restaurants in town. Washburn believes his restaurant is surviving better than most because he offers quick service, reasonable prices and a menu that consists of a variety of quick-serve foods ranging from pork fritters to pizza burgers.

⑦

WEST SOUTH CENTRAL

Location: Austin, TX
NRA member: Kenneth Koock
Operation: Green Pastures 1888, Inc.
Profile: A restaurant in a converted mansion and a small chain of Mexican restaurants
In business: 40 years
Seats: Mexican restaurants: 200, mansion: 350
Meals served: Lunch, dinner

Kenneth Koock, co-owner of Green Pastures 1888 Inc. is very enthusiastic about business in Austin. He has good reason to be. His business is up 17 percent from last year, he's building a third Mexican restaurant and the economy in Austin is booming.

The business began when Koock's mother converted a stately old Victorian mansion into a restaurant, Green Pastures. It took almost 10 years to completely restore the building.

When Koock and his partner, Lee Buslett, decided to branch out, they chose to tackle the competitive Mexican restaurant market. To differentiate their concept, they offer an upscale atmosphere. There are two Tres Amigos in operation and another one under construction. "We can't get the new one open soon enough," Koock says.

⑧

MOUNTAIN

Location: Denver, CO
NRA member: Vic Weese
Operation: Zach's Munchkins, Inc.
Profile: Renovated restaurant
In business: 9 years
Seats: 300
Meals served: Lunch, dinner

"The economy's kind of a mixed bag right now," says **Vic Weese,** one of the three owners of Zach's Munchkins, Inc. Positive factors affecting Denver's economy include an increasing population and a growing high tech community. On the other hand, the oil boom has slowed considerably, which may hamper the area's growth. Zach's Munchkins, however, is expanding.

Weese and his partners started their business on a shoestring. Using second hand lumber, they renovated a rambling, old brick warehouse with big windows—the previous tenant was an auto dealership. Although the equipment they installed was used, their menu was definitely something new. They were one of the first restaurants in the Denver area to emphasize nutritional food.

Their new restaurant, Chesby's, which will open this fall, is also a renovation project. Located in the old bank lobby of a 1926 building, the restaurant creates a European coffeehouse atmosphere.

⑨

PACIFIC

Location: San Diego, CA
NRA member: Anthony Ghio
Operation: Anthony's Fish Grottos
Profile: Nine seafood restaurants
In business: 38 years
Seats: Average 135
Meals served: Lunch, dinner

"Although business slowed down during the Olympics, things are back on an upbeat track," says Anthony Ghio, chief administrative officer of Anthony's Fish Grottos.

Ghio's family has been in the seafood restaurant business since 1946 when they opened a small eatery on the San Diego waterfront with three tables and 18 stools. Now they have five family style operations, two fast food units, an upscale establishment and a theme restaurant—all serving primarily seafood.

Part of the company's success is due to its emphasis on quality control. The firm owns its own warehouse and seafood wholesale business, so it can track the quality of the seafood from the dock to the table.

FOOD FOR THOUGHT

Where's the passion?

You'd think a fruit called passion fruit would be seeping with erotic powers. Consumers might think so, too, judging from a passion fruit craze, which is sweeping Puerto Rico and could be headed for the United States. Passion fruit juices, yogurts, sauces and salads are causing quite a stir in San Juan, and exporters there are eyeing the U.S. mainland.

The fact is, though, that the only effect passion fruit is likely to have on passion is to reduce it. Consumption of the fruit lowers blood pressure. Passion fruit's extract, in fact, is sold as a tranquilizer in Puerto Rican pharmacies. In West Germany it is used to make sleeping pills.

Passion fruit got its name from Spanish missionaries who saw the passion of Christ's crucifixion in the flower. But despite its lack of passion, the fruit has other qualities that should recommend it to American consumers; Puerto Rican doctors claim passion fruit dissolves fats, has lots of vitamins and keeps cholesterol down.

—The New York Times

Not for the unopinionated

"We provide information, and let people form their own opinions," says Linda Richardson, who with her sister Suzy has just published the first of four restaurant guide books.

Chicago's Dining hit the newsstands this summer. Coming soon are *Washington, DC's Dining*, due out in November, and *Manhattan's Dining* and *Los Angeles' Dining*, which will be published next year.

Linda Richardson says the 150-page Chicago guidebook, which includes more than 50 restaurants, includes menu reprints and atmospheric descriptions of each restaurant listed. Not included are critical evaluations of food or service.

The Richardson sisters spent $10,000 eating in more than 425 Chicago restaurants while doing their research. They ate out two or three times a day, visiting each restaurant at least twice. Linda Richardson says the successful sales of the first guidebook raised enough money to finance the rest of the series.

—NRA NEWS interview

From blowtorches to bouillabaisse

Apex Technical School in New York City has added a new course to its curriculum. In addition to classes in welding, air conditioning, refrigeration, auto mechanics and auto body repair, New York's best known trade school has opened a new division—the French Culinary Institute.

How does haute cuisine fit in with blowtorches and auto parts? "The discipline that goes into learning cooking is the same as that for learning welding," explains Apex Director Dorothy Cann, who opened the cooking school in March. Cann was inspired to open the school after eating a meal prepared by students at a similar school in Paris.

The French Culinary Institute at Apex covers all the basics in cooking—from stocks and sauces to pastries. The six-month course offers intense, no-frills instruction, preparing graduates for careers as professional French chefs. "Cooking is very much a creative profession," says Cann. "But at the same time it's a trade, and that's how you should learn it."

—The New York Times

Machine takes heat off pepper tasters

For pepper-tasters at McCormick & Co., a spice company, keeping cool on the job had been no small feat. McCormick's team of 30 tasters spent their days sipping "pepper tea," extracted from various peppers the company markets. Their reactions to the heat intensity of the tea was then measured, recorded and used as data for product manufacture.

Until recently. Marianne Gillette, a pepper-taster for McCormick, has invented a scientific pepper-testing device. The instrument, which Gillette says look like "a box with a bunch of dials" with flashing lights and charts flowing out one end, accurately measures the temperature of three heat components found in hot peppers.

The new machine has been welcomed by spice companies who find that human beings can render erratic judgments after their palates have been bombarded.

But human beings still have their uses. At McCormick, they work on regional preferences in pepper. And they were called in when a shipment of bird chilis from China measured 10 times hotter than the standard red pepper on Gillette's device. The parched tasters unanimously concurred with the machine's findings.

—The Wall Street Journal

Keep your customers safe, sound and returning to your establishment.

Know Your Limit
Help
Prevent
Dr

Help Prevent Drunk Driving

NRA's unique promotional materials can show you how

The American consumer—your customer—is concerned about the high incidence of drunk driving in this country. It makes good business sense for you to be concerned, too. The booklet, poster, coaster and table tents described below were developed to help you create a comprehensive alcohol awareness program of your own.

A Restaurateur's Guide: Help Prevent Drunk Driving

This guide will help you design an alcohol awareness program for your operation. It includes effective alternatives to give-away promotions, as well as information on alternative transportation for guests who have overindulged, designated driver programs, server education programs and two case histories of operations which have successfully conducted alcohol awareness programs.

PB905, 14 pgs., booklet, 1984, $1.10 members, **$2.50** non-members

Table Tent: Know Your Limit

One side of this attractive, free-standing table tent provides a chart which offers guests some guidance in determining how much they can drink and still drive safely. It allows them to relate their body weight to the number of drinks consumed and estimate their blood alcohol content (intoxication level). The reverse side of the tent simply states, "Know Your Limit—Help Prevent Drunk Driving." The table tent matches the poster described below.

PB901, two-color, 4 × 5 inch table tent, 1984, set of 10 **$2.50** members, **$5.00** non-members

Poster: Know Your Limit

This poster/chart allows guests to relate their body weight to the number of drinks consumed to estimate their blood alcohol content (intoxication level). It promotes safe driving. The poster matches the table tent described above.

PB903, two-color, 8½ × 11 inch poster, 1984, set of 8 **$2.00** members, **$4.00** non-members

Coaster: Help Prevent Drunk Driving

This coaster, designed to look like a traffic information sign, subtly reminds customers that they can help prevent drunk driving.

PB904, two-color, drink coaster, 1984, set of 50 **$2.50** members, **$5.00** non-members

Table Tent: Friends Don't Let Friends Drive Drunk

This subtle, free-standing table tent simply states on both sides, "Friends Don't Let Friends Drive Drunk." An attractive graphic illustration of car keys being handed from one person to another completes the message.

PB902, two-color, 4 × 5 inch table tent, 1984, set of 10 **$2.50** members, **$5.00** non-members

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PB 903	Poster: Know Your Limit			
PB 904	Coaster: Help Prevent Drunk Driving			
PB 905	Booklet: A Restaurateur's Guide			

Add all the items above *Total Retail Cost* ________

Discount—For purchases of 100 or more of the same NRA booklet, table tent, or poster, NRA offers a 20 percent discount off the total retail price.

Discount ________

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